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SAN FRANCISCO HOUSING AUTHORITY
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COMMISSION MEETING PACKET

MARCH 14, 2002

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SAN FRANCISCO HOUSING AUTHORITY
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NOTICE

THE REGULARLY SCHEDULED MEETING OF THE SAN FRANCISCO HOUSING AUTHORITY COMMISSION WILL BE HELD ON THURSDAY, MARCH 14, 2002 AT 4:00 P.M. AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

A G E N D A
March 14, 2002

1. ROLL CALL

   Sululagi Palega, Sr., President
   Julie Lee, Vice President
   Shirley Byrd, Commissioner
   Rev. Edgar E. Boyd, Commissioner
   George R. Brown, Commissioner
   Betty J. Smith, Commissioner

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2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES 2/28/02

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4. GENERAL COMMUNICATIONS

5. REPORT OF ACTING SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee - Nothing to Report
   Finance Committee - Nothing to Report
   Personnel Committee - Nothing to Report

7. REPORT OF GENERAL COUNSEL

- Status of survey regarding change in meeting time of regular meetings

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT IN THE AMOUNT OF SIX HUNDRED FIFTY TWO THOUSAND SIX HUNDRED AND ONE DOLLARS ($652,601.00) WITH THE DLR GROUP TO PERFORM A HUD MANDATED PHYSICAL AND MANAGEMENT NEEDS ASSESSMENT FOR THE SAN FRANCISCO HOUSING AUTHORITY

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Acting Executive Director

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SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street, San Francisco CA 94102 • 415-554-1200

03-12-02A09:06 RCVD

DATE: MARCH 8, 2002

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TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS
Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

FROM: GREGG FORTNER, ACTING EXECUTIVE DIRECTOR

RE: RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT IN THE AMOUNT OF SIX HUNDRED FIFTY TWO THOUSAND SIX HUNDRED AND ONE DOLLARS ($652,601.00) WITH THE DLR GROUP TO PERFORM A HUD MANDATED PHYSICAL AND MANAGEMENT NEEDS ASSESSMENT FOR THE SAN FRANCISCO HOUSING AUTHORITY

OVERVIEW:

The Authority is required by the Department of Housing and Urban Development (HUD) to prepare Physical and Management Needs Assessments and to develop Comprehensive Plans for both physical and management needs, including a short term (five year) plan and a long term (twenty year) plan in compliance with form HUD-52832 (10/96) ref Handbook 7485.3.

The Needs Assessment was last completed in 1991, and briefly updated in 1997. The new Needs Assessment is due to HUD in July 2002. The work of this study will include a review of the prior Plans' recommendations and a detailed report on items completed in the interim. The major part of the work consists of a thorough assessment of each of SFHA's properties, leading to a prioritized list of recommended improvements, plus a detailed physical database.

TARC consultants prepared the Scope-of-Work for the 2002 Needs Assessment RFQ with TARC's concurrence. The Scope is attached as Exhibit 1 at the end of this Memorandum.

This assessment will culminate in the development of a comprehensive Plan for Physical and Management Improvements.

PROCUREMENT:

Procurement Type - Qualifications based: Federal Procurement Regulations require that RFQs for architectural and engineering consultants be qualifications based; requests for fees are not allowed. Fees must be negotiated with the highest ranked applicant.

Outreach: TARC consultants recommended a national search to find the most highly qualified applicants for this highly specialized study.

- **Past Bidders List & Professional Organizations:**
  61 Notifications were sent by fax to consultant firms on the SFHA past bidders list and firms listed in the AIA web pages as specializing in planing work.

- **HRC**: The Authority e-mailed, faxed or mailed its "Request for Bids" to 9 MBE/WBE consultants listed by the San Francisco Human Rights Commission.

- **Newspapers**: The Authority publicly advertised its "Request for Bids" in the following newspapers:
  - Daily Pacific Builder (trade publication)
  - San Francisco Bay View (African American community)
  - San Francisco Chronicle and Examiner (general circulation)

- **Additional Newspapers**: The Authority e-mailed its "Request for Bids" to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:
  - San Francisco Bay View (African American community),
  - El Latino (Hispanic American community),
  - El Reportero (Hispanic American community),
  - Asian Week (Chinese American community),
  - Chinese Times (Chinese American community),
  - San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
  - San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

- **Websites**: The Authority e-mailed its "Request for Bids" to the following agencies who placed the advertisement in their website bulletin boards:
  - City and County of San Francisco (City Purchasing Department),
  - California State Contracts Register (Office of Small Business Certification & Resources)
  - Small Business Administration's PRO-Net (Offices of Government Contracting & Minority Enterprise Development),
  - U.S. Department of Commerce's BIDNET (Minority Business Development Agency).
  - American Institute of Architects (AIA)

Solicitations Issued: The Authority issued Solicitation No. 02-620-RFQ-006 to thirty one (31) requestors.

Solicitation Responses Received: The Authority received Statements of Qualifications from three respondents. A summary of the Statements of Qualifications is listed below:

#	Applicant	MBE/ WBE	25% Res Hire	Sub-consultant	MBE/ WBE	Local	Experience (Needs Assessments for HAs)
1	DLR Group	No	Yes	1. TAG Associates 2. Gutierrez Associates 3. Edward J. Gee Assoc. 4. Mechanical Solutions 5. Cost Estimators	No Yes Yes Yes Yes	No Oakland Yes Yes Yes	1. San Francisco Housing Authority,1991, Physical Needs Assessment 2. Housing Authority of the County Of Monterrey, 3. Seattle Housing Authority, Asset Management System 4. Omaha Housing Authority 5. Housing Authority of Pueblo 6. HUD (3 nation-wide studies) 7. District of Columbia Housing Authority 8. Oakland Housing Authority, Needs Assessment & 5yr. Action Plan 9. Portland Housing Authority 10. Boston Housing Authority 11. Philadelphia Housing Authority 12. Indianapolis Housing Authority 13. Housing Authority of Kansas City 14. Springfield IL Housing Authority 15. Detroit Housing Authority 16. Quincy Housing Authority 17. Trenton Housing Authority 18. Chicago Housing Authority 19. Decatur Housing Authority Total = 18 for HAs and 3 for HUD
2	Edward J. Gee Assoc.	Yes	Yes	1.Raymond Brooks Engineer 2. Mendoza & Assoc 3. Tannenbaum-Mannheim 4. Forensic Analytical 5. Bhatia Assoc 6. Diaz & Falek	Yes Yes Yes No Yes No	Yes Yes Yes Hayward Yes No	None: note: other types of work for HAs, and master plans for non-HAs
3	Powell and Partners/ Stoner Meek	Yes	Yes	1. MCH Engineers 2. SCE Engineers 3. Telemon Engineering 4. Leland Saylor Assoc. 5. Patricia O'Brien Assoc 6. SCA Industrial Hygiene 7. Faye Bernstein Assoc 8. Whitted Dawson	Yes Yes Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Oakland Yes Yes	None: note: other types of work for Has, and master plans for non-HAs

Selection Committee:
The selection committee was comprised of Department Administrators and Directors so that a broad overview of Authority needs would be represented. The committee members were:

Modernization & Construction Dept.: Bob Dahlstrom, Acting Administrator
Housing Development/HOPE VI: Barbara Smith, Administrator

Customer Service Dept.:	Alex Chanco, Director of Maintenance
Finance Dept:	Mike Perlas, Director
Procurement/Contract Dept.:	Rene Latosa, Director

Selection Process:

- Statements of Qualifications were received on January 11, 2002, at 440 Turk by Procurement.
- Committee members met on January 15, 2002 to review the selection process.
- Committee members compiled a list of interview questions which were faxed to applicants
- Interviews were conducted on January 18, 2002 in the Commission Room. All three applicants were interviewed separately and privately. Applicants and their consultants made statements of their qualifications and responded to the interview questions.
- Each Committee member independently scored each applicant based on their Statement of Qualifications and interviews. Scores and ranking were as follows:

Reviewer	DLR Group	Edward J. Gee Assoc.	Powell and Partners
Chanco	Score: 91, rank: 1	Score: 85, rank: 2	Score: 83, rank: 3
Smith	Score: 91, rank: 1	Score: 80, rank: 2	Score: 57, rank: 3
Perlas	Score: 90, rank: 1	Score: 82, rank: 2	Score: 65, rank: 3
Latosa	Score: 89, rank: 1	Score: 79, rank: 2	Score: 74, rank: 3
Dahlstrom	Score: 90, rank: 1	Score: 82, rank: 2	Score: 65, rank: 3
Ranking	**1**	**2**	**3**

The experience level with the type of study required was overwhelmingly in favor of DLR Group. In accordance with the RFQ, contract negotiations were held with the DLR Group, as the most qualified applicant by unanimous determination of the Review Committee.

Negotiation Process:

- **Summary of Negotiations:**

	Initial Proposal	Revised Proposal	Change
Fee:	$898,000	$652,601	Down $245,399
MBE/ WBE	25% by quantity	66%	Up 41%
Res. Hiring	1518 hours (25% min)	2133 hours (28%)	Up 615 hours *

  - represents 11% additional resident hours.
- **Maintenance:** The Consultant met with Maintenance to review existing compiled information and maintenance records to determine the extent of inspections needed. On the basis of maintenance information, the consultants were able to reduce the estimated hours for the study.
- **TARC:** TARC consultants, which provided the basis for fee negotiations, made A review of the proposal. They also reviewed the current negotiated proposal.
- **Procurement and Modernization:** Procurement oversaw the process, which was managed by Modernization. As a result of negotiations, the consultants reduced their proposed fees from $898,000 to $653,000 or to 73% of the original fee proposal, and the consultants increased their MBE/WBE participation and resident hiring from the minimums.

OBJECTIVES:
The HUD mandated studies are intended to improve planning for all aspects of management and all aspects related to the physical conditions of the properties, as well as provide a tracking tool for work accomplished.

PRESENT SITUATION:
The work is mandated by HUD. TARC consultants developed the Scope-of-Work, and TARC has concurred. The reports are due to HUD on July 15, 2002.

ANTICIPATED OUTCOMES:
- The result will be a comprehensive overview of all aspects of management and the physical condition of the properties
- The report will provide a planning tool for management and physical improvements.
- The database will provide a tracking tool for physical improvements.
- The prioritization of work will close a HUD audit finding.
- HUD's approval of the annual Capital Fund Program depends upon receipt of these studies.

WHO BENEFITS
Public housing residents will benefit from employment opportunities and economic development opportunities, as well as improved physical condition of their housing and improved housing management. The neighborhood and City will benefit from improved developments. The financial health of the Authority will benefit from improved tracking of warranties so that work is not duplicated, improved tracking and planning for preventative maintenance, and planning for modernization efforts.

BUDGET CONSIDERATIONS
Funds for A/E consultant services for these mandated Needs Assessments in the 2000 and 2001 Capital Fund.

• Original budget (based on Needs Analyses done for other Housing Authorities):	$700,000
• The original proposal from the consultant:	$898,000
• The revised fee, based on an analysis of the consultant proposal:	$652,601
• Negotiated Savings:	**$245,399**

RESIDENT EMPLOYMENT
The total hours are expected to be 7,590 and resident hours are expected to be 2,133, or 28% of the total hours. The consultants will hire 10 residents. The work breakdown is:

- **Inspectors:** 8 residents will be trained as inspection assistants and help document the inspections
- **Data Entry:** 2 residents will be trained and perform the data entry for the report.

The consultant contacted Rufus Davis and Waymond Nichols in developing the resident hiring plan and expects to work with Belinda Morgan of the SFHA Computer Learning Centers to identify two

residents wishing be trained in data entry. The training is expected to produce marketable skills. There may also be future opportunities for employment with this consultant on other studies of this type.

MBE/WBE STATUS

The original consultant proposal showed a minimum compliance of 20% with the San Francisco Housing Authority Affirmative Action Requirements. After subsequent negotiations, the consultants raised the percentages as follows:

- 4 of the 6 consultant team members are MBE, or 67% MBE, with 23% of the overall study cost.
- 3 of the 6 are San Francisco based or 50% local (1 in Oakland, and 2 out-of-area).

RECOMMENDATION

Staff urges the adoption of the attached resolution.

(Materials Prepared by: Bob Dahlstrom, Mary Bulota-Kane and Alicia Sisca – Modernization and Construction Department)

ATTACHMENT 1

SCOPE OF WORK

A. PHYSICAL NEEDS ASSESSMENT AND COMPREHENSIVE PLAN FOR PHYSICAL IMPROVEMENTS:

The work will consist of three phases: 1) conducting the Physical Needs Assessment and the preparation of a comprehensive written report of findings and recommendations, 2) preparation of a Five Year Plan and Twenty Year Plan to correct deficiencies along with priorities and associated costs, and 3) production of a comprehensive data base describing the local Authority's developments, materials, conditions, and improvements needed and completed.

1. The steps involved include, but are not limited to:

a. Develop a detailed survey scope and survey methodology, pertinent to the collection of all assessment data and the information required to develop the database.

b. Survey existing physical conditions at each development, including but not limited to: the site and all site systems, including paving and grading; the building exteriors, including roofs, envelopes, windows, etc.; the building interiors, including all finishes, fixtures, materials and equipment; all common areas, including halls, lobbies, stairwells, community rooms, laundry facilities, etc; all basements, crawl spaces, utility tunnels, etc.; and all mechanical systems, including elevators, electrical, fire alarm, sprinkler, plumbing and hot water, heating, air handling and air conditioning, trash handling equipment, security, etc.

c. Interview resident representatives, maintenance and management staff at each development, and collect and record all relevant data.

d. Based on information gathered in steps "a" and "b" above, analyze the condition of all systems and components at each development, and identify all capital improvements or modernization necessary.

e. Provide cost estimates for each item of recommended improvement, including units and unit prices where applicable. Quantitative units are to be employed in building the database wherever possible.

f. Review the local Authority's 1991 Physical Needs Assessment and the 1997 update to verify which items were completed and which items remain to be completed.

g. Prioritize each work item first by development, and secondly for all developments. There should be at least 5 categories of priority, ranging from emergency, through urgent, to long-range.

h. Develop a Five-Year Plan to address the most serious of the problems.

i. To allow for future updating and modifications by the Authority, the entire Plan shall also be provided in an electronic database format to facilitate the future updating of the facilities condition evaluations. See the database discussion below for further description of the proposed database.

2. Report requirements include the following:

Provide an introductory background section, summarizing the prior Needs Assessment and History, the past capital improvements, the assessment procedures, assumptions and methods, the prioritizing system and approach, the cost estimating methods and assumptions, and explaining the database.

a. For each SFHA development, assemble a section that gives general information and description of the development; a prose assessment of the Site, Structure, Building Envelope, Common Interiors, Basements/Crawl Spaces, Unit Interiors, Waste Disposal, Elevators, Plumbing, HVAC, Electrical, Fire Protection, Generators, and Energy conservation.

b. Within each development section, also include a listing of each issue or deficiency, by priority, giving at a minimum the system (HVAC, site, unit interior, etc.), a brief description of the problem, a brief recommendation, and a cost estimate.

c. Provide an appendix which includes an overall listing of the recommended work items by priority, a copy of the survey form, plus a listing of all the systems, components and subcomponents and entry codes used in the database

d. Provide an Executive Summary, summarizing major findings and recommendations, plus any other major issues, such as code violations, regulatory issues, or systemic problems.

3. Database Requirements include the following:

a. The program shall be capable of reporting and sorting data by a total variety of the variables used, and also able to output in either Excel or Word.

b. Pre-formatted informational reports shall include: a complete list of all systems and components; a permanent description of general development information; a printout of the data entry screen.

c. Pre-formatted, fully sortable planning reports shall include: Priorities by development, in decreasing order; Overall priorities, in decreasing order; Priorities by System, in decreasing order, by development or overall; Priorities by Component, in decreasing order, by development or overall.

All documents prepared for the San Francisco Housing Authority shall conform to Department of Housing and Urban Development requirements and form HUD-52832 (10/96) ref Handbook 7485.3.

B. MANAGEMENT NEEDS ASSESSMENT AND COMPREHENSIVE PLAN FOR MANAGEMENT IMPROVEMENTS:

The work will consist of two phases: 1) conducting the Management Needs Assessment and the preparation of a written report of findings, recommendations and an implementation schedule, along

with associated costs, and 2) assisting SFHA in the implementation of recommended improvements and training of staff as needed.

The consultant will review all management issues, both at the property level and Authority-wide, identify problem areas, recommend solutions and develop cost estimates for the required improvements. These reviews shall include existing staffing levels, organizational structure, training needs, procedures, policies, facilities, equipment and resident services.

Based on these investigations, a listing of deficiencies will be catalogued. For each problem identified, a realistic solution shall be proposed. Each solution shall be prioritized along with associated costs. Working with Authority staff, the consultant will develop a Twenty-Year Plan and a Five-Year Plan to address the most serious of these problems.

RESOLUTION NO._____

DATE ADOPTED. _____

RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT IN THE AMOUNT OF SIX HUNDRED FIFTY TWO THOUSAND SIX HUNDRED AND ONE DOLLARS ($652,601.00) WITH THE DLR GROUP TO PERFORM A HUD MANDATED PHYSICAL AND MANAGEMENT NEEDS ASSESSMENT FOR THE SAN FRANCISCO HOUSING AUTHORITY

WHEREAS, the Authority is required by the Department of Housing and Urban Development (HUD) to prepare Physical and Management Needs Assessments and to develop Comprehensive Plans for both physical and management needs, including a short term (five year) plan and a long term (twenty year) plan in compliance with form HUD-52832 (10/96) ref Handbook 7485.3; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws; and

WHEREAS, the Authority publicly advertised a Request for Qualifications (RFQ) in accordance with local and Federal Procurement Regulations; and

WHEREAS, the Authority received three Statements of Qualifications in response to the RFQ from:
1. DLR Group
2. Edward J. Gee Associates
3. Powell and Partners / Stoner Meek; and

WHEREAS, all three applicants were short-listed and interviewed; and

WHEREAS, the selection committee, comprised of Department Administrators and Directors, scored and ranked the submittals and interviews; and

WHEREAS, the selection committee determined that the experience level with the type of study required was overwhelmingly in favor of DLR Group; and

WHEREAS, in accordance with the RFQ, contract negotiations were held with the DLR Group, as the most qualified applicant by unanimous determination of the selection committee; and

WHEREAS, the negotiations resulted in increased MBE/WBE participation, increased resident hiring, and a reduction in fee; and

WHEREAS, DLR Group has met the MBE/WBE Participation and Resident Hiring requirements; and

WHEREAS, the Authority has evaluated the revised fee proposal and found it consistent with fees for this type of study; and

-/02 **WHEREAS**, all additional relevant documents submitted by low bidder have been reviewed and found to be in order, and

WHEREAS, funds for A/E consultant services for these mandated Needs Assessments are available in the 2000 and 2001 Capital Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Acting Executive Director is authorized to execute a contract in the amount of six hundred fifty two thousand six hundred and one dollars ($652,601.00) with the DLR group to perform a HUD mandated Physical and Management Needs assessment for the San Francisco Housing Authority.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

CARL L. WILLIAMS, General Counsel

Date 3-8-02

REVIEWED BY:

GREGG FORTNER, Acting Executive Director

Date 3/8/02

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SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street · San Francisco, CA 94102 · Phone: (415) 554-1200

YOU ARE INVITED TO TWO SPECIAL MEETINGS

TO DISCUSS THE FY2003 ANNUAL PLAN

MONDAY, MARCH 25, 2002 AT 4:00 P.M.

and

WEDNESDAY, APRIL 24, 2002 AT 3:00 P.M.

AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA 94102

AGENDA

1. Discussion the Admissions and Continued Occupancy Policy
2. Discuss the Section 8 Administrative Plan
3. Discuss the Annual Plan for Fiscal Year 2003
4. Question & Answer period
5. General discussion and wrap-up

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NOTICE

THE REGULARLY SCHEDULED MEETING OF THE SAN FRANCISCO HOUSING AUTHORITY COMMISSION WILL BE HELD ON THURSDAY, MARCH 28, 2002 AT 4:00 P.M. AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
March 28, 2002

1. ROLL CALL

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

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2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

4. GENERAL COMMUNICATIONS

5. REPORT OF ACTING SECRETARY

- Report on recent trip to Washington D.C.
- Status of Alice Griffith Boys and Girls Club

6. COMMITTEE REPORTS

Diversity Committee - Nothing to Report
Finance Committee - Nothing to Report
Personnel Committee - Nothing to Report
Public Safety Advisory Committee – Report regarding meeting of March 21, 2002

7. REPORT OF GENERAL COUNSEL

- Status of survey regarding change in Commission meeting time

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS - None

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

As permitted under California Government Code §54957, the Commission will meet in closed session with General Counsel to consider evaluation of the performance of the Acting Executive Director; and to consider the appointment of an Executive Director.

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Acting Executive Director

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HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, March 28, 2002

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in regular session at 440 Turk Street, San Francisco, California on Thursday, March 28, 2002, at 4:00 p.m.

President Palega called the meeting to order at 4:08 p.m.

1. ROLL CALL

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Roll call found the following members to be:

PRESENT: *Sululagi Palega, Sr., President*
Julie Lee, Vice President
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

ABSENT: *Shirley Byrd, Commissioner*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Acting Executive Director*
Mr. Carl L. Williams, General Counsel

2. APPROVAL OF AGENDA

Commissioner Boyd moved to approve the agenda and Commissioner Smith seconded the motion. The agenda of March 28, 2002 was UNANIMOUSLY APPROVED.

3. APPROVAL OF MINUTES

Vice President Lee moved to approve the minutes and Commissioner Brown seconded the motion. The minutes of the regular meeting of March 14, 2002 were UNANIMOUSLY APPROVED.

4. GENERAL COMMUNICATIONS

Mr. Fortner noted that the following documents have been forwarded to the Commission:

- Updated Commissioner Request Log with attachment regarding outreach efforts to Plaza East residents who are not returning.
- Notice of the HUD Fourth National Conference on Resident Involvement and Crime Prevention, which is being held at the San Francisco Hilton, April 2-4. The Youth Choir from Potrero will be performing and there will be a barbecue at the Hayes Valley Development.
- Personal resume of Mr. Fortner (this item was requested by Commissioner Brown).
- PHA Plans (for the Five-Year Plan and the Annual Plan). This is a thick document including general timeline and deadlines, all letters and correspondence sent out to resident organizations and community partners. The back part is the actual template of the Plan. This has to be completed and submitted to HUD by July 15 for HUD approval by October 1.
- Copy of letter congratulating Rick Bruce, SFPD Inspector, who has been promoted to Deputy Chief.

5. REPORT OF ACTING SECRETARY

Report on Recent Trip to Washington D.C. – Mr. Fortner stated that he was in Washington last week, March 14-20. He had very good, positive and productive meetings with consultants, HUD officials and congressional staff.

Status of the Alice Griffith Boys and Girls Club – Mr. Fortner stated that he has looked into the matter of the Boys and Girls Club closure at the Alice Griffith development. It was closed last year for construction of rehabilitation work, which is not scheduled until later this summer. There has been a major miscommunication and he will be talking to Mr. Richards, the Director. The Boys and Girls Club was not supposed to close even during rehabilitation.

6. COMMITTEE REPORTS

Diversity Committee – Commissioner Smith stated that a meeting of the Committee has been scheduled for April 10.

Finance Committee - Nothing to report.

Personnel Committee - Nothing to report.

Public Safety Advisory Committee – Report regarding meeting of March 21, 2002 – President Palega stated that the Committee met on March 21 at the Plaza East Community Center. He expressed his special appreciation to SFHA Commissioner Smith and SFPD Commissioners Chan and Perry for their attendance and participation. Also present were: the president of Plaza East Tenants Association, Ms. Washington; SFHA, staff: Gregg Fortner, Barbara Smith, Mike Roetzer, Naja Boyd, Carl Williams, and Jim

Williams. Deputy Chief Fong, Captain Flanagan and Captain Maruichi of the Western Station Police Precinct gave a report. They are making a concerted effort to close down the Buchanan Street corridor and the illegal activities taking place there. They also discussed other trouble spots in the neighborhood. Some of the police stations are not being manned or are very short staffed. With the heightened security at the airport, until airport people are hired, the SFPD, along with other police departments, are responsible for airport security. The Department of Transportation issued a bulletin stating that all people working at the airport must be U.S. citizens and must go through intensive background employment checks. Efforts are being stepped up here at the SFHA to get some of the residents hired. The Director of the Airport is willing to work with the SFHA on this. The meeting was a very productive one, where both sides, the Police and SFHA, were able to raise issues, voice concerns and work on solutions. Another meeting at Plaza East is scheduled in the near future.

7. REPORT OF COUNSEL

General Counsel, Carl L. Williams reported on two matters:

Status of Survey regarding change in Commission meeting time – Mr. Williams distributed copies of the responses from the tenant associations regarding the change in time of the meetings, which totaled two responses and another copy of the survey of the Commissioners' responses. Three of the Commissioners have as their first choice the 4:00 meeting. The responses from the tenant associations are insufficient. He stated that he would keep the Commission posted.

Supreme Court decision regarding *Rucker*: There are provisions in the lease giving the Authority discretion to evict tenants, members of the household and guests who are involved in criminal activity. The *Rucker* case is a lawsuit brought by the Oakland Housing Authority to evict a tenant because members of the family of the tenant were involved in drug activity, not in the residence but away from the residence. This is an important distinction. President Palega stated that the Authority needs to have orientations, especially with the seniors, so that they know the full implications of this decision. He did not want to see residents get caught up in "I don't know" in terms of the conduct of their children, grandchildren, and other household members, who may be involved in illegal activity. Mr. Williams stated that this ruling gives the agency another element to the eviction process, which so far have not been instituted. The agency has been pursuing evictions in the cases where drug activity is found in the unit. This was consistent with the earlier ruling as to how this law would be applied. Now the ruling states that if a resident who lives in a development has a grandson who is caught dealing drugs away from the area, the agency can evict the resident. It is no longer restricted to the unit itself. The eviction process starts based on an arrest report. A conviction is not necessary. This ruling gives the agency more power but the agency can still exercise its discretion and review these matters on a case by case basis. Commissioner Brown stated that he was glad to hear that each case is going to be taken individually and not just one

stamp placed on all the tenants. He asked how often has the agency used this ruling? Mr. Williams stated that this provision was put in the lease in 1997. Since then, the Authority has taken 171 cases to court. Half of those resulted in actual evictions.

8. TENANT REPRESENTATIVE REPORT

CityWide Council - Senior/Disabled: William Vitalie, President, stated that the Council is moving forward. They hope to have two trips this year. On April 8, General Counsel, Carl Williams, accepted to come and be the keynote speaker at their meeting. They will be discussing the *Rucker* case and several other issues, as well. He was very pleased that he has a strong board and good committees.

Public Housing Tenants Association (PHTA) – Eddie Kittrell, President of the Resident Management Corporation of Potrero Annex, was present to give a report. He thanked the Commission for the invitation. He had good and positive things to say. He spoke of the significant advances being made in moving residents from welfare to work. Through the Section 8 Family Self-Sufficiency Program, 14 residents have been assisted in becoming homeowners; there are ten resident owned businesses. They are working with a variety of community resources. He also spoke briefly about the *Rucker* decision. He suggested that the Authority hold several community meetings. This decision is perceived by some as picking on old people and targeting the small time drug dealers while the drug kingpins, given their resources, are left alone. Commissioner Brown reiterated his concerns also. He noted that SFPD might pick up 5-6 young men and only one has drugs, but the whole group is arrested. He hoped that the agency would show some sensitivity in this and review each situation individually.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.* - None

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS – None

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA – None

13. COMMISSIONER'S COMMENT AND REPORT - None

14. CLOSED SESSION

President Palega announced that the Commission had concluded its regular business and would go into closed session. As permitted under California Government Code §54957, the Commission met in closed session to consider the evaluation of the performance of the Acting Executive Director; and to consider the appointment of an Executive Director. The commission went into closed session at 4:55 p.m.

15. RECONVENING OF COMMISSION MEETING

The Commission reconvened at 7:10 p.m. Commissioners present: President Palega, Vice President Lee, Commissioners Brown and Smith. President Palega stated that the Commission met in closed session to conduct the performance evaluation of the Acting Executive Director. Further discussions are needed and the matter will be continued until the next board meeting. It was noted that Commissioner Boyd was present throughout the closed session.

16. ADJOURNMENT

Vice President Lee moved to adjourn the meeting and Commissioner Smith seconded the motion. There being no further business to come before the Commission, the meeting of March 28, 2002 was adjourned at 7:10 p.m.

Gregg Fortner, Acting Executive Director

Sululagi Palega Sr., President

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COMMISSION MEETING
PACKET

APRIL 17, 2002

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NOTICE

THE REGULARLY SCHEDULED MEETING OF THE SAN FRANCISCO HOUSING AUTHORITY COMMISSION WILL BE HELD ON THURSDAY, APRIL 11, 2002 AT 4:00 P.M. AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
April 11, 2002

1. ROLL CALL

   Sululagi Palega, Sr., President
   Julie Lee, Vice President
   Shirley Byrd, Commissioner
   Rev. Edgar E. Boyd, Commissioner
   George R. Brown, Commissioner
   Betty J. Smith, Commissioner

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2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES see 3/28/02

4. GENERAL COMMUNICATIONS

5. REPORT OF ACTING SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Report regarding meeting of April 10, 2002
   Finance Committee - Nothing to Report
   Personnel Committee - Nothing to Report

7. REPORT OF GENERAL COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS

None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SUBMIT TO HUD A DEMOLITION/DISPOSITION APPLICATION FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

As permitted under California Government Code §54957, the Commission will meet in closed session with General Counsel to consider evaluation of the performance of the Acting Executive Director; to consider the appointment of an Executive Director; and to discuss potential litigation and legal issues (case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Acting Executive Director

SAN FRANCISCO HOUSING AUTHORITY

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DATE: April 5, 2002

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi, Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

FROM: Gregg Fortner, Acting Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SUBMIT TO HUD A DEMOLITION/ DISPOSITION APPLICATION FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION**

OVERVIEW

This resolution authorizes the Acting Executive Director to submit to HUD a Demolition/Disposition Application for the Valencia Gardens HOPE VI revitalization.

OBJECTIVES

With Commission authorization, the Valencia Gardens Demolition/Disposition Application will be submitted to HUD's Special Application Center (SAC). Approval of the application by SAC is required for: (1) demolition of the existing structures prior to building the new housing and community facilities and (2) disposition of the site under a ground lease agreement to a limited equity partnership for an estimated $30 M in low income housing tax credit equity. Once the application is approved, the Authority and Mission Housing Development Corporation (MHDC) will be able to move forward expeditiously with the completion of predevelopment work and preparation for demolition and construction.

PROCUREMENT
Not applicable to this resolution.

PRESENT SITUATION
The San Francisco Housing Authority (Authority) was awarded a $23,230,641 1997 HOPE VI Revitalization Grant for the revitalization of 246 units at Valencia Gardens. The previously approved Determination and Order No. D-131 adopted July 12, 1997 allowed the Authority to send a HOPE VI 1997 Application to HUD. On October 26, 2000, the Commission adopted Resolution No. 4940 and authorized the Executive Director to execute a developer partner Memorandum of Understanding and Predevelopment Loan Agreement with the Mission Housing Development Corporation review and approve a detailed project proposal and negotiate a Development and Disposition Agreement for the Valencia Gardens HOPE VI revitalization. Following design workshops, comparisons of rehabilitation with all new construction and extensive input from residents, a revised Revitalization Plan was submitted to HUD on December 31, 2001 and subsequently conditionally approved by HUD on March 2002.

The amended plan requires demolition of the existing public housing and the reconstruction of 247 new mixed income units with multi-purpose facilities, a child care center, tutorial space and a computer learning center with 60 replacement units for public housing residents on an ancillary site. The proposed financing includes the HOPE VI grant funds, low income housing tax credits through a ground lease disposition to a limited equity partnership and other funds.

The Authority must comply with certain provisions of Section 187 of the Housing Act of 1937 as amended by Section 121 of the Housing and Community Development Act of 1987 when the Demolition and Disposition of any of its properties are involved. HUD requires that the Authority submit a demolition/disposition application to HUD's Special Applications Center (SAC).

ANTICIPATED OUTCOMES
The application will be approved by the HUD Special Applications Center and the implementation of the HOPE VI grant as it pertains to demolition and the disposition of the property can proceed in a timely manner.

WHO BENEFITS
Public housing residents of Valencia Gardens will benefit from improved living conditions due to the construction of all new housing. The improvements and re-construction of the development will benefit the Authority's real property assets.

BUDGET
There is no budget impact as a result of authorizing this resolution.

RESIDENT HIRING

MHDC is committed to providing at least 25 percent of the workforce hours for resident hires. These activities will therefore provide employment for public housing residents under the resident hiring requirements. The work activities that will be implemented under the grant will also help create a pool of qualified residents for future work on similar Authority construction projects.

MBE/WBE PARTICIPATION

MHDC is committed to meeting all of the Authority's MBE/WBE goals and requirements.

RECOMMENDATION

Staff recommends approval of this Resolution authorizing the Acting Executive Director to submit the Valencia Gardens Demolition/Disposition Application to HUD's Special Applications Center.

(Prepared by Barbara T. Smith, Juan S. Monsanto and Ingerbore Rivera)

Valencia Gardens HOPE VI Revitalization

Status Report
April 5, 2002

San Francisco Housing Authority
Housing Development Department

HOPE VI Revitalization Grant Background Information

Valencia Gardens

The SFHA, the residents of the Valencia Gardens and the Mission Housing Development Corporation prepared and submitted a HOPE VI application for the revitalization of the Valencia Gardens development in Funding Year 1997. The Valencia Gardens site was awarded $23,230,641 in HOPE VI Revitalization Grant funds to rehabilitate the 246 units and construct up to 74 new affordable units on an ancillary site. Initially the program was to rehabilitate the existing concrete masonry residential buildings.

Feasibility studies were conducted and a series of design workshops were held with residents, as part of developing the comprehensive revitalization plan required by HUD. The feasibility analysis showed that it is more cost effective to demolish the existing structures and build new residences, community space and management/maintenance facilities at the site. These studies also showed that the new construction proposal will produce higher quality housing, better serve the needs of residents, provide integration into the neighborhood and meet the HOPE VI program requirements. The decision to demolish and rebuild was made by the SFHA Executive Director in January 2001 in consultation with the SFHA developer partner, Mission Housing Development Corporation (MHDC) and the Valencia Gardens residents.

Ancillary Site

The Valencia Gardens HOPE VI Grant program includes the proposed development of 60 units of housing affordable for public housing residents at a separate HOPE VI ancillary site. The SFHA conducted a feasibility study in 2001, which confirmed that an under-utilized portion of the Rosa Parks Senior Apartments site was an appropriate location for the 60 of senior and fully accessible units. The suitability was confirmed in discussions with the San Francisco Redevelopment Agency and with resident leadership at both Valencia Gardens and Rosa Parks. A deteriorating senior services building currently occupies the site, and will be replaced by new facilities on the ground floor of the new 60-unit building.

Valencia Gardens HOPE VI Revitalization Program

The Valencia Gardens HOPE VI Revitalization Program includes development activities on two sites: Valencia Gardens and the ancillary site. When looked at together the proposed Development on the two sites delivers an increase of 61 new affordable housing units and 235 affordable bedrooms for San Francisco.

Revitalization Program Summary

SITE	Existing	Proposed	Proposed Community and Program Spaces
Valencia Gardens	246 Units 408 Bedrooms	247 Units 583 Bedrooms	- 3,900 SF Community Center - 3,200 SF Child Care Facility - 3,900 SF Business Incubator Space/Computer Learning Center - 2,250 SF Outdoor Child Play Space
Ancillary Site	0 Units 0 Bedrooms	60 Units 60 Bedrooms	- 6,600 SF Community Care Facility
TOTAL	**246 Units** **408 Bedrooms**	**307 Units** **643 Bedrooms**	

Proposed Unit Count and Unit Mix

Bedroom Size	Valencia Gardens	Valencia Gardens Manager Unit	Ancillary Site	Total
1 BR	20		60	**80**
2 BR	129	1		**130**
3 BR	85			**85**
4 BR	12			**12**
Total	**246**	**1**	**60**	**307**

The HOPE VI grant application in 1997 proposed a total of 260 PHA replacement and tax credit subsidized units on the Valencia Gardens site, primarily through gut rehabilitation with some new in-fill units. The new 2001 Valencia Gardens Revitalization Plan proposes new construction rather than gut rehabilitation due to cost efficiencies, better overall unit design and vastly improved site layout through new construction instead of gut-rehabilitation of the concrete masonry buildings in the existing site configuration.

The development team, in conjunction with the residents and the Valencia Gardens Community Task Force decided to maximize New Urbanism design and planning principles when developing the new site plan massing and unit configurations. This important design and planning focus has also had an impact on the proposed density of the development. Therefore, the superior schematic design proposal included in this Revitalization Plan includes slightly fewer units than proposed earlier in the HOPE VI application. This change in direction and new design considerations have been reviewed and approved by HUD HOPE VI design staff.

The HOPE VI Valencia Gardens Revitalization Plan

The Draft HOPE VI Valencia Gardens Revitalization Plan was submitted to HUD for review and comment in December 2001. Since that time HUD, the San Francisco Mayor's Office of Housing and Valencia Gardens residents have provided additional comments to the plan. HUD expects to provide approval of the Plan in April 2002. See Attachment.

Revitalization Plan

The Valencia Gardens design incorporates 'New Urbanism' design and urban planning solutions that eliminate the isolation of Valencia Gardens from the rest of the Mission District while preserving the its unique and positive community atmosphere. The existing dilapidated 246 units will be demolished and replaces with 247 new townhouses and flats, similar to Hayes Valley, Bernal Dwellings and Plaza East. Each unit will have a street address, entry door, modern conveniences and a private outside yard or deck.

A new community facility will house a property management office, childcare facility, multi-purpose community space, Valencia Gardens Resident Council Office, Valencia Gardens Computer Learning Center, and business incubator space(s). New pedestrian and vehicular streets will be created inside of the Valencia Gardens site with dedicated street parking for residents. The new development will increase the household income mix from 100% public housing income limits to 80% at public housing income limits and 20% at TCAC (50-60% AMI) income limits at Valencia Gardens. The balance of the one for one replacement apartments for public housing residents will be built on the ancillary site.

Developer Negotiations

The SFHA and Mission Housing Development Corporation (MHDC) have entered into a development Memorandum of Understanding (MOU) and Predevelopment Loan Agreement that allow for the full scope of predevelopment work to continue. The development and disposition Agreement (DDA) between the SFHA and MHDC is to be negotiated in the spring of 2002.

MBE / WBE and Residents Hiring

MHDC has agreed in the MOU hire public housing residents for at least 25% of the workforce hours. MHDC has also agreed in the MOU to maximize the use of minority, women owned and Section 3 business during the development effort. To date, 28 Valencia Gardens residents have participated in the SFHA HOPE CSS employment program and 9 Valencia Gardens residents have secured employment through the SFHA resident hiring requirements.

Valencia Gardens HOPE VI Community and Supportive Services

The Valencia Gardens HOPE VI Community and Supportive Services Program was approved by HUD in 2000. The program includes (1) individualized household case management; (2) SFHA HOPE VI Family Grants Program and (3) SFHA employment and training assistance and referrals. Currently that case management load at Valencia Gardens is comprised of 228 families. Some are on site and others have temporarily relocated off-site. The Computer Learning Center has accommodated over 105 Valencia Gardens residents in the on-site computer training programs. Over 112 families have participated in the HOPE VI Family Grants Program that has delivered over 93 computers to Valencia Gardens families.

Valencia Gardens HOPE VI Financing Plan

The SFHA, MHDC and the Mayor's Office of Housing have been working together on a financing plan that combines the HOPE VI Grant funds, an AHP mortgage, private debt, Low-Income Housing Tax Credit equity, and other local resources. The total estimated development cost is $62,692,462. This includes $2,330,000 for HOPE VI Relocation and Supportive Services. The Mayor's Office of Housing, MHDC and the SFHA are currently examining the following funding scenarios: (1) a single 9% TCAC allocation and (2) large 9% TCAC allocation with a smaller 4% TCAC and bond allocation with local finding.

The total estimated Rosa Parks Annex development cost of $12,761,337 will be financed by a combination of a HUD 202 grant award and Low Income Housing Tax Credit equity under a proposal consistent with 24 CFR 941, Subpart F, and local funding.

The SFHA development team is examining the possibility of combining project-based Section 8 for the operating subsidy on both or either of the sites.

Valencia Gardens and Ancillary Site Development Schedule

Program Tasks	Valencia Gardens	Ancillary Site
Issuance of solicitations for Partners	Spring 1997	June 2002
Partner Selected	Spring 1997	September 2002
DDA Executed	Summer 2002	Winter 2003
Tax Credits Awarded	• Spring 2003 – Scenario #1 • Another Award Spring 2004 – Scenario #2	Spring 2004
Draft Mixed Finance Full Proposal Submitted	Spring 2003	Spring 2004
Final Mixed Full Finance Proposal Submittal	Summer 2003	Summer 2004
Other Financing Committed	Winter 2003	Summer 2004
Draft Evidentiary Material Submitted	Fall 2003	Summer 2004
Mixed Finance Agreement executed	Winter 2003	Summer 2004
Closing	Winter 2003	Fall 2004
Relocation Begun	Spring 2000	N/A
Relocation Completed	Spring 2003	N/A
Hazard Abatement Begun	Fall 2003	Fall 2004
Hazard Abatement Completed	Fall 2003	Fall 2004
Demolition Begun	Fall 2003	Fall 2004
Demolition Completed	Fall 2004	Fall 2004
Construction Contract Executed	Fall 2003	Fall 2004
Construction Begun	Fall 2003	Fall 2004
Construction Completed	• Spring 2005 – Scenario #1 • Spring 2006 – Scenario #2	Spring 2005
Occupancy Begun	Fall 2004	Spring 2005
DOFA	Fall 2004	N/A
Supportive Services in Place for new residents	Fall 2004	Spring 2005
Closeout	Summer 2006	N/A

Status of Valencia Gardens HOPE VI Temporary Relocation

Valencia Gardens' residents began voluntary relocation in the spring of 2000. Since that time 128 units have been vacated and households have been assisted in their temporary relocation to their choice of other PHA housing, units with Section 8 vouchers in San Francisco and in other counties, or other affordable housing developments in San Francisco. Currently 105 household remain at the site.

HOPE VI Resident and Community Involvement

Valencia Gardens Resident and Community Participation

The Valencia Gardens Residents Council has participated continuously in all levels of the planning and initial implementation of the HOPE VI grant. During the same time, the Community surrounding the Valencia Gardens site, including neighborhood businesses and service providers, residential neighbors and other interested parties have participated in the Valencia Grandees HOPE VI Community Task Force.

The developer organized a series of resident design workshops from the fall of 1999 to the winter of 2001. Attendance ranged from 20 to 50 residents and other interested individuals. Workshops were simultaneously translated in English, Spanish, and Vietnamese.

The Valencia Gardens HOPE VI Community Task Force

The Valencia Gardens Community Task Force is a group that has been meeting monthly for the past three years. Its members consist of Valencia Gardens residents, community businesses and service providers, and neighboring residents. It is a public forum. The purpose of the meetings is to keep the residents, community members, and interested parties informed of the HOPE VI process of the Valencia Gardens housing development. The Task Force also acts in an advisory role to the development team.

Valencia Gardens Task Force meetings are a valuable avenue of information and serve as wonderful form of outreach. These meetings bring the community together with a common goal, which is to enhance the living standards of the Valencia Gardens residents and community at large.

As the renovation process moves forward the Task Force meetings offer people a way to become more and more involved. The Task Force offers a reliable source for ideas and suggestions on how to address development issues. Community organizations make regular presentations to residents and others.

The Valencia Gardens Task Force has approximately 20 members consisting of residents and community organizations. The attendance can range from 15 - 40 people depending on the agenda and time of year.

Prior Commission Action

July 12, 1997	Determination and Order #131-3. Commission authorization to negotiate with Mission Housing Development Corporation. Commission authorization to submit Valencia Gardens HOPE VI application to HUD.
October 26, 2000	Resolution # 4940. Commission authorization to enter into an MOU and Predevelopment Loan agreement, negotiate a Development and Disposition Agreement (DDA) with MHDC and for the Executive Director to identify a Valencia Gardens HOPE VI ancillary site.

Anticipated Commission Action

April 11, 2002	Commission authorization to submit a Demolition Disposition Application to HUD.
Fall 2002	Commission approval of the execution of the Valencia Gardens Development and Disposition Agreement (DDA).
Spring 2003	Commission approval of the submittal of the TCAC Application.
Spring 2003	Commission Approval of establishing findings pursuant to CEQA; approval of a Developer Pre-Construction Services Agreement for demolition; approval of the negotiations of Evidentuaries.
Late Fall 2003	Commission approval of the execution of Evidentuaries and Start of Construction.

RESOLUTION NO. _____

DATE ADOPTED_____

RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SUBMIT TO HUD A DEMOLITION/DISPOSITION APPLICATION FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

WHEREAS, the San Francisco Housing Authority ("Authority") was awarded a $23,230,641 1997 HOPE VI Revitalization Grant for the revitalization of 246 public housing units at Valencia Gardens in the Mission District in San Francisco; and,

WHEREAS, following design workshops, comparisons of rehabilitation with new construction of Valencia Gardens and extensive input from residents, a revised revitalization plan was submitted to HUD on December 31, 2001 and subsequently conditionally approved by HUD on March 2002; and

WHEREAS, the new plan proposes demolition and the construction of 247 mixed income units at Valencia Gardens with multi-purpose facilities, a child care center, tutorial space and a computer learning center with 60 replacement units for public housing residents on an ancillary site; and,

WHEREAS, the proposed financing includes the HOPE VI Grant funds, low income housing tax credit equity through a ground lease disposition to a limited equity partnership and other funds; and

WHEREAS, a Determination and Order No. D-131 was previously approved on July 12, 1997 and allowed the Authority to send a HOPE VI 1997 Application to HUD; and,

WHEREAS, the Authority's Commission previously approved Resolution No. 4940 on October 26, 2000 authorizing the Executive Director to execute a developer partner Memorandum of Understanding and Predevelopment Loan Agreement with Mission Housing Development Corporation for revitalization of the Valencia Gardens public housing site under the HOPE VI program, review and approve a detailed project proposal and negotiate a Development and Disposition Agreement for the Valencia Gardens revitalization; and

WHEREAS, the Authority must comply with certain provisions of Section 187 of the Housing Act of 1937 as amended by Section 121 of the Housing and Community Development Act of 1987 in the Demolition and/or Disposition of any of its properties and obtain HUD approval prior to demolition and disposition; and,

WHEREAS, the Authority must meet and comply with the policies, procedures and requirements prescribed by HUD for the HOPE VI program including the implementation of the HOPE VI activities in a timely manner.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, THAT:

1. The Acting Executive Director is authorized to submit to HUD the Demolition/Disposition Application for the Valencia Gardens HOPE VI revitalization.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

CARL L. WILLIAMS, General Counsel

Date April 5, 2002

REVIEWED BY:

GREGG FORTNER, Acting Executive Director

Date 5/5/02

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, April 11, 2002

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in regular session at 440 Turk Street, San Francisco, California on Thursday, April 11, 2002, at 4:00 p.m.

President Palega called the meeting to order at 4:20 P.M.

1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Sululagi Palega, Sr., President*
Julie Lee, Vice President
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner [arrived 4:30]
Betty J. Smith, Commissioner

ABSENT: (Excused) *Shirley Byrd, Commissioner*

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A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Acting Executive Director*
Mr. Carl L. Williams, General Counsel

2. APPROVAL OF AGENDA

Commissioner Boyd moved to approve the agenda and Commissioner Smith seconded the motion. The agenda of April 11, 2002 was UNANIMOUSLY APPROVED.

3. APPROVAL OF MINUTES

Commissioner Boyd moved to approve the minutes and Vice President Lee seconded the motion. The minutes of the regular meeting of March 28, 2002 were UNANIMOUSLY APPROVED.

4. GENERAL COMMUNICATIONS

Mr. Fortner called attention to the following communications:

- Updated Commission Request Log with an attached report regarding outreach efforts to SFHA bidders. President Palega requested a staff briefing in the future after the Commission has had a chance to review the written report.
- Neola Gans, President of the Alemany Tenants Association (representing the family development) was present today to give a report.

5. REPORT OF ACTING SECRETARY

Report on the Status of the North Beach HOPE VI Development – Mr. Fortner stated that Carol Galante of BRIDGE, John Stewart and Michael Johnson, three principals comprising North Beach Developers Associates, were present to give a brief presentation. Carol Galante addressed the Commission regarding the progress being made and the financial elements of the development. She noted that demolition on the east block is underway. The tax credit application has been submitted and received by the State of California and an application has been submitted to the Federal Home Loan Bank. Michael Johnson addressed the Commission regarding the design, construction and schedule. The design team is a joint venture of Paul Barnhardt & Associates and Fred Powell (who designed Plaza East). They are working on completing the design element and updating the construction costs. The construction team is a joint venture of Cahill and Nibbi Bros. A Resident Hiring Coordinator has been hired and is working with SFHA staff and contractors to maximize employment opportunities for residents of North Beach and other developments. Construction is scheduled to start by the middle of the summer on the east block and the west block will follow a couple of months after that. Overall construction should take no more than 24 months, with an anticipated completion date of Fall 2004. John Stewart addressed the Commission regarding relocation efforts. They have hired two Relocation Liaison Consultants who are doing an excellent job working with the 55 families on the west block. This has been a team effort by everyone involved.

Mr. Fortner stated that Mayor Brown is the Chairman of the Housing and Community Development Committee with the Conference of Mayors. As such, one of his tasks is to present the housing agenda to the federal government. The SFHA now has to provide the information on public housing for the national agenda. This will be part of the resolution the Mayor will present at the Mayors' Conference. Copies of the report will be forwarded to the Commission.

Mr. Fortner congratulated staff, Waymon Nichols, Charletta Nichols, Denise Kimball and Rufus Davis, for their efforts and success in providing assistance to DLR Associates so that 21 residents were hired to be field inspectors as part of the resident employment commitment of this contractor.

Mr. Fortner called attention to a public hearing on redistricting which will be held tonight at City Hall. Potrero Hill development, currently represented by Supervisor Maxwell, may be cut out of the district.

6. COMMITTEE REPORTS

Diversity Committee – Report regarding meeting of April 10, 2002: Commissioner Smith reported that the Diversity Committee met yesterday. She and Vice President Lee were present. Present from staff were Naja Boyd and Buddy Choy. They received staff reports from Naja Boyd regarding PHA plan process and status of Plaza East move in. Approximately 149 people have moved in and 129 more units need to be filled. Buddy Choy gave a report on the civil rights policies, rules and procedures. She stated that it was a very productive meeting.

Finance Committee - Nothing to report

Personnel Committee - Nothing to report.

7. REPORT OF COUNSEL

Mr. Carl L. Williams asked when the Commission wants to schedule the next Public Safety Advisory Committee meeting. President Palega responded that he would like it scheduled in June or July. Mr. Williams updated the Commission on the status of the response to the survey regarding changing the time of the Commission meeting. One more response has been received from the Citywide Council and they indicated a preference for 2:00.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled: William Vitalie, President, stated that at the Council meeting on Monday, Mr. Carl Williams attended, and explained in great detail the *Rucker* case and how it affects SFHA policies. The presentation was precise and articulate. The Council has some exciting programs coming up. Mr. Fortner thanked Mr. Vitalie and the Council for their efforts in sending letters to Senator Feinstein, Senator Boxer and Congresswoman Pelosi regarding the need for more funding for public housing.

Public Housing Tenants Association (PHTA): Neola Gans, President, Alemany Tenants Association, reported on the various programs at her development, including the tutorial youth program (tutors from city college); Girl Scout program; summer food program; distribution of condoms from San Francisco Health Department. They have 12 youth working with the SLUG program. They have security seven days a week, 4:30 p.m. – 12 midnight. She would like to see a lot more activities started in the community in the future for children, teens and senior citizens. She stated that so far everything is okay in the development.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

Waymon Nichols – Mr. Nichols spoke in support of the Valencia Gardens development and support of Mr. Gregg Fortner as Executive Director.

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

Note: Commissioner Boyd left at 5:30 during discussion of Resolution (A).

(A) RESOLUTION NO. 5029

RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SUBMIT TO HUD A DEMOLITION/DISPOSITION APPLICATION FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

Barbara Smith, Administrator, Housing Development Division presented this resolution requesting authorization to submit to HUD the Demolition/Disposition Application (DDA) for the Valencia Gardens project. She noted that Inga Rivera, who wrote the DDA, and Catherine Lee, Senior Project Manager of the Valencia Gardens site, were present. She also acknowledged the residents present: Anita Ortiz and Gabrielle Fontanella. Both have been involved throughout the whole process, providing guidance and input. Ms. Smith introduced Carlos Romero, President of the Mission Housing Development Corporation and partners of the SFHA in this venture to come forward and give a brief presentation. Mr. Romero introduced members of the development team: Phillip Dochow, Director of Development at MHCD, Lisa Pagan, Project Manager for this development at MHCD and Fred Pollock, a principal of the architectural firm of Van Meter, Williams & Pollock. Mr. Romero stated that MHCD has been working with the SFHA on this development for the past 3-1/2 years and provided background information on the progress to date. A number of factors were considered and reviewed: rehabilitation vs. new construction, environmental and soils issues, costs, seismic issues, HOPE VI design goals and safety/security concerns. The decision was made to focus on new construction options. In 2001 a series of community design meetings were held with residents and architects. The meetings were conducted in three languages at the site. Mr. Fred Pollock came forward with drawings and power point presentation of the proposed new design. The

design provides for a new private drive and U-shape circulation for vehicles and pedestrian. Mr. Pollock responded to a number of issues raised by the Commission which included—need for adequate parking, aesthetics of the design—it appeared too square, the number of handicap units in the development; what will be done with the art work (Bufano sculptures); security concerns. The following timelines were projected. Environmental and historical review to satisfy federal and state laws will take about 12 months to complete. Contractor to be selected by June. The Contractor, working with the developer, the architect and the residents, will continue to refine the plans and to give other input on the construction process. Upon completion of the planning review process, planning approvals from the City, and the design/development work, submission of permit for demolition should take place around mid year 2003. Submission of the tax credit application in July/August 2003 and close out construction financing in the fall (or later) 2003. Begin construction before the end of 2003. 15-month construction process. Occupancy: Early 2005. Catherine Lee, Senior Project Manager, concluded the report by stating that there is good news on the budget and HUD has approved the schedule. The revitalization plan has been submitted to HUD and the SFHA has been given conditional approval of the plan. The final portion of the feasibility work is in process and should be completed within the next six weeks.

Vice President Lee moved to approve Resolution No. 5029 and Commissioner Smith seconded the motion. Resolution No. 5029 was UNANIMOUSLY APPROVED.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA - None

13. COMMISSIONER'S COMMENT AND REPORT - None

14. CLOSED SESSION

At 5:30 p.m., President Palega announced that the Commission had concluded its regular business and would go into closed session as permitted under California Government Code §54957, to meet with General Counsel to consider evaluation of the performance of the Acting Executive Director; to consider the appointment of an Executive Director; and to discuss potential litigation and legal issues (case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

The Commission reconvened at 6:30 p.m. President Palega, Vice President Lee and Commissioners Brown and Smith were present. President Palega stated that the Commission had received a letter of resignation addressed to the President from the former Executive Director, Ronnie Davis, effective October 30, 2001. The Commission has accepted the letter of resignation. The Commission met in closed session to consider

the appointment of Mr. Gregg Fortner as the Executive Director. A resolution was reviewed in closed session and a minor modification made and is attached hereto in its final form as Resolution No. 5030. Present in the closed session were President Palega, Vice President Lee and Commissioners Brown and Smith.

Vice President Lee moved to approve Resolution No. 5030 and Commissioner Smith seconded the motion. Resolution No. 5030 was UNANIMOUSLY APPROVED.

RESOLUTION NO. 5030

RESOLUTION APPOINTING MR. GREGG FORTNER, EXECUTIVE DIRECTOR/SECRETARY OF THE SAN FRANCISCO HOUSING AUTHORITY

16. ADJOURNMENT

Commissioner Brown moved to adjourn the meeting and Commissioner Smith seconded the motion. There being no further business to come before the Commission, the meeting of April 11, 2002 was adjourned at 6:32 p.m.

Gregg Fortner, Executive Director

Sululagi Palega Sr., President

SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, **SULULAGI PALEGA, SR.,** duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at a Regular Meeting of the Commission held on April 11, 2002:

RESOLUTION NO. 5029
RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SUBMIT TO HUD A DEMOLITION/DISPOSITION APPLICATION FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

Attached is a true and correct copy of the Resolution as adopted at the said meeting on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Sululagi Palega, Sr.
Julie Lee
George R. Brown
Betty J. Smith

AGAINST ADOPTION:

Not Present During the Vote: Rev. Edgar E. Boyd

Absent (Excused): Shirley Byrd

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: _____.

_____
Sululagi Palega, Sr., President

RESOLUTION NO. 5029

DATE ADOPTED 4/11/02

RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SUBMIT TO HUD A DEMOLITION/DISPOSITION APPLICATION FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

WHEREAS, the San Francisco Housing Authority ("Authority") was awarded a $23,230,641 1997 HOPE VI Revitalization Grant for the revitalization of 246 public housing units at Valencia Gardens in the Mission District in San Francisco; and,

WHEREAS, following design workshops, comparisons of rehabilitation with new construction of Valencia Gardens and extensive input from residents, a revised revitalization plan was submitted to HUD on December 31, 2001 and subsequently conditionally approved by HUD on March 2002; and

WHEREAS, the new plan proposes demolition and the construction of 247 mixed income units at Valencia Gardens with multi-purpose facilities, a child care center, tutorial space and a computer learning center with 60 replacement units for public housing residents on an ancillary site; and,

WHEREAS, the proposed financing includes the HOPE VI Grant funds, low income housing tax credit equity through a ground lease disposition to a limited equity partnership and other funds; and

WHEREAS, a Determination and Order No. D-131 was previously approved on July 12, 1997 and allowed the Authority to send a HOPE VI 1997 Application to HUD; and,

WHEREAS, the Authority's Commission previously approved Resolution No. 4940 on October 26, 2000 authorizing the Executive Director to execute a developer partner Memorandum of Understanding and Predevelopment Loan Agreement with Mission Housing Development Corporation for revitalization of the Valencia Gardens public housing site under the HOPE VI program, review and approve a detailed project proposal and negotiate a Development and Disposition Agreement for the Valencia Gardens revitalization; and

WHEREAS, the Authority must comply with certain provisions of Section 187 of the Housing Act of 1937 as amended by Section 121 of the Housing and Community Development Act of 1987 in the Demolition and/or Disposition of any of its properties and obtain HUD approval prior to demolition and disposition; and,

WHEREAS, the Authority must meet and comply with the policies, procedures and requirements prescribed by HUD for the HOPE VI program including the implementation of the HOPE VI activities in a timely manner.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, THAT:

1. The Acting Executive Director is authorized to submit to HUD the Demolition/Disposition Application for the Valencia Gardens HOPE VI revitalization.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

CARL L. WILLIAMS, General Counsel

Date April 5, 2002

REVIEWED BY:

GREGG FORTNER, Acting Executive Director

Date 5/5/02

SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, **SULULAGI PALEGA, SR.,** duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at a Regular Meeting of the Commission held on April 11, 2002:

RESOLUTION NO. 5030
RESOLUTION APPOINTING MR. GREGG FORTNER, EXECUTIVE DIRECTOR/ SECRETARY OF THE SAN FRANCISCO HOUSING AUTHORITY

Attached is a true and correct copy of the Resolution as adopted at the said meeting on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:	**AGAINST ADOPTION:**
Sululagi Palega, Sr.	
Julie Lee	
George R. Brown	
Betty J. Smith	

Not Present During the Vote: Rev. Edgar E. Boyd

Absent (Excused): Shirley Byrd

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: _____.

_____
Sululagi Palega, Sr., President

RESOLUTION NO. 5030

DATE ADOPTED: 4/11/02

RESOLUTION APPOINTING MR. GREGG FORTNER, EXECUTIVE DIRECTOR/SECRETARY OF THE SAN FRANCISCO HOUSING AUTHORITY

WHEREAS, Mr. Ronnie Davis, Executive Director, submitted his resignation effective October 30, 2001 to Commission President Sululagi Palega, Sr., by letter dated February 21, 2002; and

WHEREAS, the Board of Commissioners of the San Francisco Housing Authority ("SFHA") is authorized to appoint the Executive Director of the SFHA; and

WHEREAS, the Board of Commissioners has determined that Mr. Gregg Fortner is capable and qualified to perform the duties of Executive Director of the SFHA;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. Mr. Gregg Fortner is hereby appointed Executive Director of the SFHA effective this day, April 11, 2002

2. The Personnel Committee of the Commission shall meet and confer with Mr. Gregg Fortner regarding the terms and conditions of an Employment Agreement between Mr. Gregg Fortner and the San Francisco Housing Authority.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams, General Counsel

April 11, 2002
Date

SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94252 • (415) 554-2600

COMMISSION MEETING PACKET

APRIL 25, 2002

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COMMISSION MEETING PACKET

APRIL 25, 2002

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE SAN FRANCISCO HOUSING AUTHORITY COMMISSION WILL BE HELD ON THURSDAY, APRIL 25, 2002 AT 4:00 P.M. AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
April 25, 2002

1. ROLL CALL

   Sululagi Palega, Sr., President
   Julie Lee, Vice President
   Shirley Byrd, Commissioner
   Rev. Edgar E. Boyd, Commissioner
   George R. Brown, Commissioner
   Betty J. Smith, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES Sec'y 4/11/02

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee - Nothing to Report
   Finance Committee - Nothing to Report
   Personnel Committee - Nothing to Report

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7. REPORT OF GENERAL COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS

None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXPENDITURE OF SECTION 8 FUNDS AND PUBLIC HOUSING OPERATING FUNDS TO PROCURE THE SERVICES OF DENNIS JOHNSON, A STATE CERTIFIED APPRAISER, TO CONDUCT COMPARABLE RENT DETERMINATIONS FOR THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM AND TO ESTABLISH THE REQUIRED FLAT RENTS FOR PUBLIC HOUSING DEVELOPMENTS IN AN AMOUNT NOT TO EXCEED $49,000

(B) RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATION FOR ADMINISTRATION OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY IF SELECTED

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001, REPAIR OF VANDALIZED GYPSUM DRYWALL, AT CAL 1-39B, 951 EDDY STREET, WITH HARRISON DRYWALL, INC. FOR ADDITIONAL CONSTRUCTION SERVICES FOR THE AMOUNT OF $37,135.64

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A closed session is scheduled with the General Counsel and outside counsel under Government Code §54957 and §54956.9(a) to discuss existing and pending litigation: *Evans/Joseph et.al. vs. SFHA* and to discuss possible settlement and authorization to pursue litigation in the *Evans/Joseph, et.al. vs. SFHA* case.

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: April 16, 2002

TO: San Francisco Housing Authority Commission

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE EXPENDITURE OF SECTION 8 FUNDS AND PUBLIC HOUSING OPERATING FUNDS TO PROCURE THE SERVICES OF DENNIS JOHNSON, A STATE CERTIFIED APPRAISER, TO CONDUCT COMPARABLE RENT DETERMINATIONS FOR THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM AND TO ESTABLISH THE REQUIRED FLAT RENTS FOR PUBLIC HOUSING DEVELOPMENTS IN AN AMOUNT NOT TO EXCEED $49,000

OVERVIEW

Section 8 Project-Based Voucher Program

The Section 8 Project Based Voucher (PBV) Program is one of several programs administered by the Leased Housing Division. This program is similar to the Moderate Rehabilitation Program in that it encourages property owners to renovate or construct rental property with the intention of making it available to low income families who are on the Section 8 Program's waiting list. This program is voluntary for Housing Authorities whereby Section 8 Certificate funding is converted for use under this program. HUD regulations (24 CFR 983.55) require that the SFHA contract with a State Certified Appraiser to establish the rents for the assisted units that are reasonable and comparable to unassisted units of similar size, location, and amenities. We currently have 151 units under contract. However, there are another 198 units in various stages of construction and another 600 units will soon be committed for project-based assistance.

Flat Rents for Public Housing Developments

Federal regulations and the SFHA Admissions and Continued Occupancy Policy require that, effective October 1, 2002, the ceiling rents will be replaced with market-based Flat Rents. In order to establish the flat rent amounts for each development, SFHA is required to conduct a comparability study to determine what the "market" value is for each public housing unit. This comparability study is identical to that conducted under the Section 8 Project Based Voucher.

Residents will still pay rent based on 30% of the adjusted monthly income. At the point that 30% of the household income meets or exceeds the established Flat Rent for that unit, the family will have a choice between the income-based or Flat Rent amount. Each year at the annual re-certification interview, the family will get to choose between the two rent amounts.

OBJECTIVE

HUD regulations require that a State Certified Appraiser conduct the rent reasonable surveys for PBV units. Since there are numerous projects for which appraisals will be needed and the cost will exceed the $25,000 limit on expenditures without approval from the Board of Commissioners, this resolution serves to authorize the SFHA to enter into an agreement with the appraiser to utilize his services on an as-needed basis. This will preclude the necessity, increased cost and administrative burden of advertising for appraisal services with each specific project. Advertising for each individual project would present delays that would jeopardize many projects.

HUD Regulations and the SFHA Admissions and Continued Occupancy Policy require that we conduct the study and make the results public at least 60 days prior to the implementation of the new Flat Rent schedule. Data will be gathered, compiled, and analyzed for all public housing development simultaneously, excluding the HOPE VI sites. Based on the number of developments for which appraisals will be needed, and the time frame in which the study must be conducted and published, SFHA will need to enter into a contract no later than May 1, 2002.

Some comparability data on private market units in the same neighborhoods as our public housing developments currently exists. This data is the result of previous comparability appraisals done by the Leased Housing Department for the Section 8 Project Based Voucher Program. Unfortunately, the data only covers approximately 10 public housing developments. Data needs to be collected on the remaining 30 developments in order to complete the study.

Procurement

The SFHA Procurement Office solicited bids from eligible entities throughout the Bay Area. Only State certified appraisers were eligible to respond to this procurement action. In addition to being advertised in *City Outreach* and *Minority Outreach* for MBE/WBE solicitations, mailers were posted on the SFHA, City of San Francisco and Human Rights Commission web sites as well as sent to the available vendors on the Small Business Association bid list. However, this contract amount is below the threshold necessary to have triggered any resident hiring requirements.

Four appraisers submitted proposals and the most affordable and comparably experienced person, Dennis Johnson, was selected through the procurement process. To the best of our knowledge, he has not participated in such appraisal services for the SFHA in the past. Attached is the submitted bids and scoring results for your review.

PRESENT SITUATION

Currently there are 151 rental units participating in the Project Based Voucher Program. Thirty-one (31) units were placed under subsidy at 381 Turk Street in April of 1991. Another ninety-nine (99) units were designated for the Project Based Certificate Program under the Clean and Sober Housing Program, which was a collaborative effort with the Mayor's Office of Housing. 25 Units are at 425 Eddy Street, 70 units are at 480 Ellis Street, 2 units are at 1221-23 Cortland Street and 2 units are at 2973-77 26th Street. All Clean and Sober units were placed under subsidy between March 6, 1997 and June 1, 1998. Additionally, 13 units were assisted at the Bernal Gateway project at 3101 Mission Street and 8 units were assisted at 416 Bay Street. Moreover, there are currently 216 units at various locations under construction and the possibility for committing another 600 units for PBV assistance in the near future.

ANTICIPATED OUTCOME

It is anticipated that the use of the State Certified Appraiser, Dennis Johnson, will ensure that reasonable rents are paid by the SFHA for units assisted under the Section 8 Project-Based Voucher Program. In addition, this contract will result in a complete and thorough comparability study of the "market" value of all public housing units. This will enable us to demonstrate that we have met the federal guidelines for establishing the Flat Rents, as required by HUD regulations and outlined in the Admissions and Continued Occupancy Policy.

WHO BENEFITS

The Project Based Voucher Program utilizes applicants from the Section 8 waiting list to fill the available vacancies in the rehabilitated and newly constructed units. Very low- income applicants from the San Francisco Housing Authority Section 8 waiting list directly stand to benefit from this process. In addition, the subsidies paid on the units will be reasonable in the rental market, thus benefiting the SFHA in practicing sound fiscal practices.

Public Housing families will still have a choice between the lesser of the income-based rent or Flat Rent. The Authority will benefit by the increase in the revenue generated by working families who are currently paying the ceiling rent and will pay either the higher income-based rent or the Flat Rent for the unit. The revenue generated will enable the Authority to address the modernization and management needs at the various public housing developments.

BUDGET CONSIDERATIONS

The services of the appraiser, Dennis Johnson, require an expenditure of no more than $49,000.00 out of Section 8 and Public Housing funds.

POLICY IMPLEMENTATION

Not applicable.

RECOMMENDATION

We recommend that the Board approve the Resolution authorizing the expenditure of Section 8 and Public Housing operating funds to procure the services of Dennis Johnson, a state certified appraiser, to conduct comparable rent determinations for the Section 8 Project-Based Voucher Program and to establish the required Flat Rents for Public Housing Developments in an amount not to exceed $49,000.

Prepared by Lawrence Andrews, 674-3208

EVALUATION SUMMARY TO PROVIDE MARKET RENT APPRAISALS FOR THE PROJECT VOUCHER PROGRAM AND PUBLIC HOUSING DEVELOPMENTS

DESCRIPTION: A Request for Quotes (RFQ) to Provide Market Rent Appraisals for the Project Based Voucher Program and Public Housing Developments was made. The qualified firm will work with key personnel of Leased Housing and Public Housing on as-needed appraisals.

SOLICITATION PROCESS: A solicitation to provide these services was issued on February 25, 2002. A copy of the proposal was mailed to thirty-two (32) prospective appraising firms. Announcement of the RFQ was made to City Watch, put on the S.F. City Website and the SFHA Website.

Four proposals were received in response to the solicitation on March 8, 2002. The firms were:

- Hamilton, Ricci
- Dennis L. Johnson
- Napoleon Forte
- Larry Mansbach

REVIEW: All four firms were evaluated against three evaluation criteria:

- Experience
- Past Performance
- Price

The maximum possible score for each criterion was nine (9), for a total possible score of twenty-seven (27).

All applicant firms have valid California state Appraiser's Licenses.

Dennis L. Johnson's Past Performance was cited by three references to include appraisals of multifamily units, Section 8 rent comparable studies for HUD programs. Mr. Johnson was able to meet deadlines. His work was reliable with no problems and was at "very reasonable" rates. Mr. Johnson's professionalism included prompt responses to phone messages. Because all references spoke highly of his past performance, Dennis L. Johnson not only met basic requirements for Past Performance, he exceeded in this category because of the high regard for his work from all three references.

Similarly, Hamilton Ricci received from three references "excellent" Past Performance reports, thereby not only meeting basic requirements for Past Performance but also

exceeding in this category. Larry Mansbach's past performance was not as strongly endorsed as that of Dennis Johnson or Hamilton Ricci. One reference did not have personal knowledge about Mr. Mansbach's performance. Another mentioned delay in receiving a report. Napoleon Forte did not meet the requirements for Past Performance because one reference cited use of incorrect data in reports, and inability to meet deadlines. Moreover, a second reference did not recall Mr. Forte's name or his work for the specified organization. A third reference could not be reached.

MBE/WBE participation was actively sought, resulting in two proposals, that of Hamilton, Ricci and Napoleon Forte. Hamilton, Ricci had some of the highest per unit charges while Napoleon Forte had poor Past Performance reviews. These reasons precluded their consideration.

Resident Hiring issues do not apply in this instance because Dennis L. Johnson is a sole proprietor. Moreover, the contract is a non-construction contract under the $ 50,000 threshold as required by SFHA Commission Resolution No. 4967. Also, the contract will be performed on an as-needed basis.

Napoleon Forte and Dennis L. Johnson had the two lowest charges and therefore exceeded in the Price category. Hamilton, Ricci and Larry Mansbach had the two highest charges, which were twice the amount of Johnson's. Although Napoleon had low rates, his Past Performance was weak. Dennis L. Johnson charged the least and had excellent Past Performance.

RECOMMENDATION: After reviewing the proposal submitted by Dennis L. Johnson and comparing its terms with those of the other appraisers, we recommend the selection of Dennis L. Johnson to provide Market Rent Appraisals for the Project Based Voucher Program and Public Housing Developments.

The selection of this firm would present best value for the agency.

PROCUREMENT PLAN
Appraisal Services (Solicitation No.02-660-QTE-015)

The solicitation for Appraisal Services was issued to obtain a Certified Appraiser to provide market rate appraisals for units being rehabilitated or constructed with the intent to be rented with assistance of rental subsidies under the Project Based Voucher Program and for determining Flat Rents for Public Housing Units.

Evaluation Criteria: The evaluation criteria for the solicitation are

- Experience - The appraiser must certified by the State of California, General Appraisers
- Past Performance - Comments provided by References; Reference Check.
- Price - Price will be compared to the rates submit to the last contract of like services.

Selection: The contract will be awarded to the Appraiser who meet or exceeds, in experience and past performance, and has the lowest rates.

Contract Type: The selected firm will receive a fixed price contract not to exceed $49,000 for a (1) one-year base period, with a (1) one-year option period.

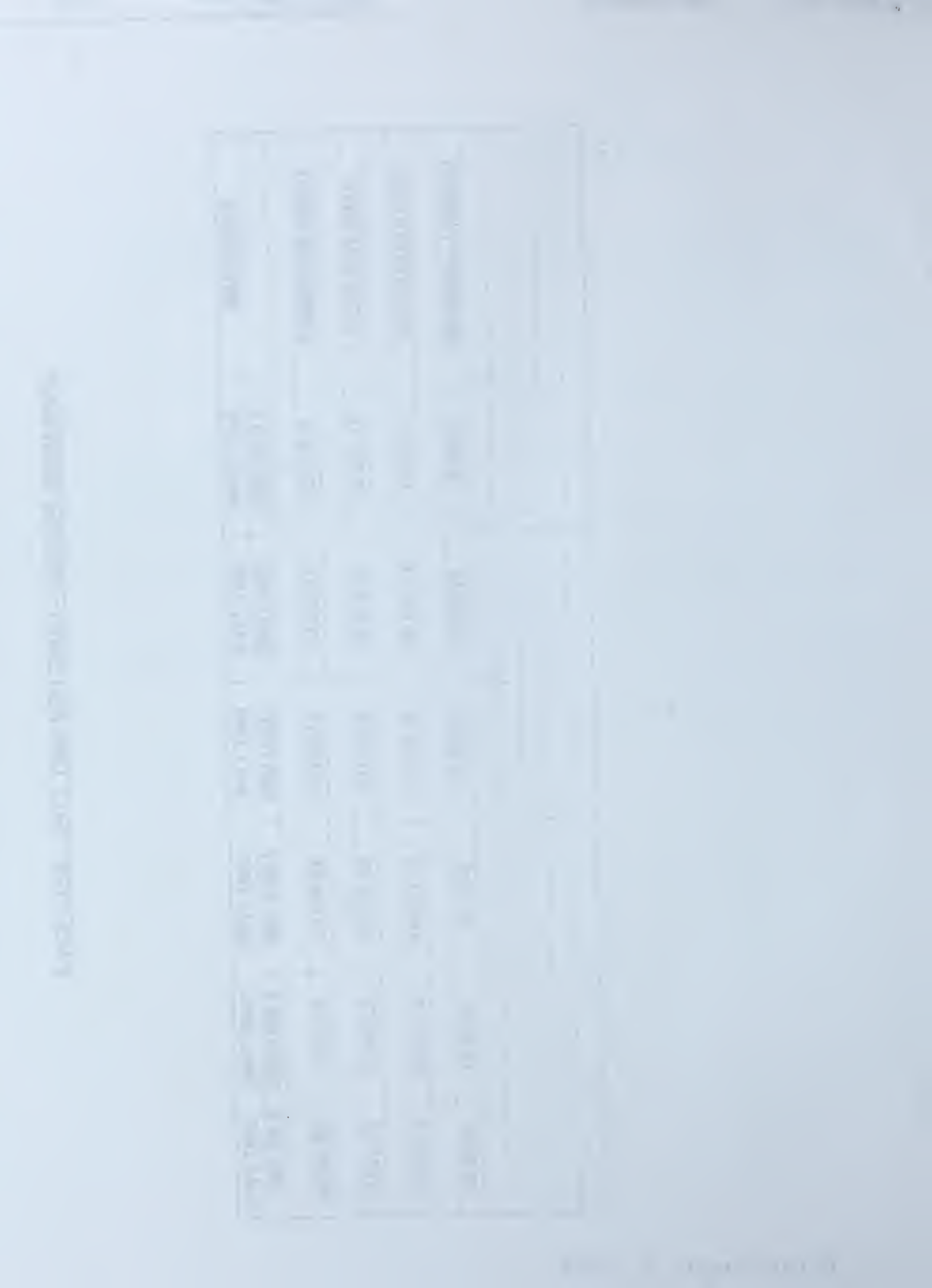
Commission Approval: This contract exceeds the $25,000 threshold. A Commission approval is required prior to award.

TARC: TARC approval is not required. The contract award is below the $50,000.

APPRAISER PRICING - COST PER UNIT TYPE - SECTION 8

FIRM NAME	UNIT TYPE 1 BED UNIT	UNIT TYPE 2 BED UNIT	UNIT TYPE 3 BED UNIT	UNIT TYPE 4 BED UNIT	UNIT TYPE 5 BED UNIT	UNIT TYPE 6 BE UNIT
LARRY MANSBACH	$1,200.00	$1,500.00	$1,800.00	$2,400.00	$3,000.00	$3,600.00
HAMILTON, RICCI	$1,250.00	$1,625.00	$2,000.00	$2,375.00	$2,750.00	$3,125.00
NAPOLEON FORTE	$925.00	$1,050.00	$1,075.00	$1,100.00	$1,125.00	$1,150.00
DENNIS L. JOHNSON	$750.00	$750.00	$775.00	$800.00	$825.00	$825.00

Received Time Apr. 3. 5:37PM



TEL:415 554 1258 P.004
APR.-03' 02(WED) 16:21 SFHA PURCHASING

Factors	Max Score	L. Mansbach	N. Forte	D. Johnson	H.Ricci
Experience	33%	22%	22%	22%	22%
Past Performance	33%	22%	4%	33%	33%
Firm's Price	33%	22%	33%	33%	22%
	100%	67%	59%	89%	78%

Appraisers

Weighted Scores

Received Time Apr. 3. 5:37PM

RESOLUTION No. _____
DATE ADOPTED:_____

RESOLUTION AUTHORIZING THE EXPENDITURE OF SECTION 8 FUNDS AND PUBLIC HOUSING OPERATING FUNDS TO PROCURE THE SERVICES OF DENNIS JOHNSON, A STATE CERTIFIED APPRAISER, TO CONDUCT COMPARABLE RENT DETERMINATIONS FOR THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM AND TO ESTABLISH THE REQUIRED FLAT RENTS FOR PUBLIC HOUSING DEVELOPMENTS IN AN AMOUNT NOT TO EXCEED $49,000

WHEREAS, the San Francisco Housing Authority (SFHA) desires to assist units under the Section 8 Project Based Voucher (PBV) Program; and

WHEREAS, the SFHA must comply with the Quality Housing and Work Responsibility Act, Section 523, which requires all public housing authorities to establish Flat Rents for all public housing units; and

WHEREAS, Federal regulations under 24 CFR 983.55 require that a State Certified Appraiser conduct a survey to determine comparable rents for PBV assisted units; and

WHEREAS, the SFHA is required under federal regulations [24 CFR 960.253] to establish Flat Rents for all public housing units based on the market value of the units; and

WHEREAS, the cost of completing the appraisals for all Project-Based Program pipeline projects and Public Housing developments cannot exceed $49,000; and

WHEREAS, the SFHA solicited bids from interested appraisers for two weeks and competitively ranked the bidders; and

WHEREAS, the SFHA ranked Dennis Johnson the highest amongst the four responding appraisers;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to purchase appraisal services from Dennis Johnson in an amount not to exceed $49,000.00.

2. This resolution becomes effective immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams
General Counsel

4-19-02
Date

REVIEWED BY:

Gregg Fortner
Executive Director

4/19/02
Date

B

SAN FRANCISCO HOUSING AUTHORITY

LEASED HOUSING DIVISION
1237 VAN NESS AVENUE, SECOND FLOOR
SAN FRANCISCO, CA 94109 • (415) 674-3200 • Fax (415) 674-3213

DATE: April 16, 2002

TO: San Francisco Housing Authority Commission

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATION FOR ADMINISTRATION OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY IF SELECTED

OVERVIEW

This resolution seeks authorization for the San Francisco Housing Authority (SFHA) to submit an application for administration of the Housing Opportunities for Persons With AIDS (HOPWA) Program in response to a Request For Qualifications (RFQ) issued by the San Francisco Redevelopment Agency (SFRA) and for the Executive Director to execute a contract with the SFRA if selected.

The HOPWA Program provides tenant-based rental housing subsidies to persons who are HIV positive and/or have a disabling AIDS diagnosis. The San Francisco Redevelopment Agency is the funding Agency for the HOPWA Program and thus the Annual Contributions Contract (ACC) is executed between HUD and the SFRA. However, the SFHA has a contract with the SFRA and pursuant to that contract has administered the HOPWA Program for the SFRA since the Program's inception in September of 1994. Since then, over 1300 Certificates have been issued to applicants to this Program and over

750 have leased units. All HOPWA tenancies are restricted to units within the City and County of San Francisco and are eligible for exception rents as a reasonable accommodation for their disability.

OBJECTIVE

The RFQ issued by the SFRA requires that, if applicable, all respondents must include the Board's authorizing resolution. Approval of this resolution will permit the SFHA to apply for this contract and present a complete application packet.

PRESENT SITUATION

There are currently 338 tenants housed under the HOPWA Program. The overall goal is to house 325 tenants. We have more than achived this goal to date. All applicants are from the Housing Wait List (HWL) administered by the San Francisco Department of Public Health. Applicants are referred from the HWL to Catholic Charities (CC) who has a contract to administer the support services for the HOPWA Program. Catholic Charities, in turn, refers the applicant to the SFHA for eligibility determination and Housing Quality Standards inspection.

ANTICIPATED OUTCOME

By approving this resolution, the SFHA will be able to submit an application to continue administering the HOPWA Program.

WHO BENEFITS

This resolution will benefit disabled persons with AIDS who need housing and rely on the professionalism of the SFHA to assist them with the certification process. There are additional financial benefits to the SFHA in earned administrative fees.

BUDGET CONSIDERATIONS

This resolution has no budgetary impact. However, if selected, the SFHA would stand to earn up to $310,000.00 in administrative fees.

POLICY IMPLEMENTATION

This resolution has no policy implementation issues at this time.

RECOMMENDATION

We recommend that the Board approve the resolution authorizing the submission of application for administration of the Housing Opportunities For Persons With Aids (HOPWA) program and authorizing the Executive Director to execute a contract with the San Francisco Redevelopment Agency if selected.

Prepared by Lawrence Andrews, 674-3233

RESOLUTION No. _____
DATE ADOPTED: _____

RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATION FOR ADMINISTRATION OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY IF SELECTED

WHEREAS, the San Francisco Housing Authority has been charged with administration of the HOPWA Program since September 23, 1994; the MOU is due to expire on June 30, 2002; and

WHEREAS, the San Francisco Redevelopment Agency issued a Request For Qualifications (RFQ) on April 8, 2002 soliciting applications for administration of the HOPWA Program; and

WHEREAS, the San Francisco Housing Authority is interested in submitting an application in response to the RFQ; and

WHEREAS, the San Francisco Housing Authority must execute an authorizing resolution to submit a complete application in response to the RFQ; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Board of Commissioners approves the submission of application in response to the RFQ issued by the San Francisco Redevelopment Agency (SFRA) for administration of the Housing Opportunities for Person With AIDS (HOPWA) Program and authorizes the Executive Director to enter into a contract with the SFRA if the application is selected.

2. This resolution becomes effective immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams
General Counsel 4-19-02

REVIEWED BY:

Gregg Fortner
Executive Director
4-19-02

Prepared by Lawrence Andrews, 674-3233

C

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: APRIL 18, 2002

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

FROM: GREGG FORTNER, SECRETARY/EXECUTIVE DIRECTOR

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001, REPAIR OF VANDALIZED GYPSUM DRYWALL, AT CAL 1-39B, 951 EDDY STREET, WITH HARRISON DRYWALL, INC. FOR ADDITIONAL CONSTRUCTION SERVICES FOR THE AMOUNT OF $37,135.64.

OVERVIEW

This resolution authorizes the Executive Director to execute Change Order No. 2 for Contract No. 10001 with Harrison Drywall, Inc, to provide additional construction services for the repair of vandalism to the interior walls in the amount of $37,135.64. The approval of Change Order No. 2 incorporates the conversion of previously approved Proceed Order No. 1, executed to start the repair work, as part of this Change Order.

The Authority entered into a construction contract with Harrison Drywall, Inc. to furnish and install gypsum drywall at CAL 1-39 B, 951 Eddy Street. After the contract work was substantially completed, it was damaged by vandals. This change order provides funds for the repair of the vandalism.

On the weekend of October 27-28, 2001, vandals entered the building, filled the bathtubs and kitchen sinks in three units with water. The water overflowed and flooded the "stack of units on the north elevation. The floodwater damaged the newly installed drywall in the units on the fourth, third, second, and first floors and the finished area in the basement. The existing drywall had to be removed and replaced with new drywall. Other damage which occurred to insulation, flooring, carpeting, and painting was severe but it is not part of this drywall contract.

OBJECTIVES

Repair of water damaged drywall and plaster at walls and cove ceilings of the affected areas in the building (units 101, 102, 103, 201, 202, 203, 301, 302, 401, 401), the ceiling in the main lobby on the first floor, and the hall ceiling in the basement by the wheelchair lift. Replacement of damaged drywall, taping compound, and drywall accessories to their previously completed condition and ready for painting.

ANTICIPATED OUTCOMES

Restoration of the damaged drywall will return the construction to the condition that it was before the vandalism took place. This work is necessary to obtain the approvals of the building officials as well as restoring units to a habitable condition.

WHO BENEFITS

The residents of CAL 1-39B, 951 Eddy will benefit because now they will be able to occupy completed and habitable units. The Authority benefits from 24 units brought back into service as well as two new units.

BUDGET CONSIDERATIONS

Because of the extensive vandalism, the Authority filed a claim with the insurance company for the repair of damaged gypsum drywall. Insurance funds are expected to pay for the repair of the vandalism. A preliminary insurance estimate of damages was $95,000.00, pending additional information. The insurance company is sending a partial payment check in the amount of $60,000.00 to the SFHA Legal Department.

Since it was not possible to determine the exact cost in advance of performing the work, a proceed order of $24,500.00 was approved to repair an indefinite quantity of water damaged drywall in the north section units on a time (at predetermined wage rates) and material basis not to exceed a $30,000.00 increase in the construction budget. However, once the damaged material was removed, the severity of the damage was more than expected, resulting in actual work of $37,135.64.

The chart below summarizes the proposed change order cost based on the labor rates and markup set in Proceed Order No. 1, as well as material and equipment cost. The Authority's Construction Inspector monitored the installation of time and materials and the change order quantities and costs are shown below.

(See Attached Field Record of Damaged Drywall Repair)

Labor	Unit Cost	Unit	Sub-Total	5% Overhead	10% Profit	Total
Taper Foreman	$56.34	151.5	8,535.51	426.78	853.56	9815.85
Taper Journeyman	$53.86	202.5	10,906.65	545.33	1090.66	12542.64
Drywall Journeyman	$50.00	104	5,200.00	260	520.00	5980.00
Drywall Forman	$53.53	17.5	936.78	46.84	93.68	1077.30
Stocker / Scrapper	$26.66	21	559.86	27.99	55.98	643.84
Taper Apprentice	$42.57	68	2,894.76	144.73	289.48	3328.97
						$33,388.60
Materials	Total Material Cost	10% Mark up	Tax			Total
	$2,071.94	207.19	176.11			**$2,439.26**
Equipment / Parking / Misc						Total **$1,307.78**
					Grand Total:	**$37,135.64**

This change order converts Proceed Order No.1 to a change order and reimburses the Contractor for work performed under Change Order G-2 ($37,135.64). The revised obligated Project Total at Proceed Order No. 1 was $464,282.00. This change order credits back $24,500.00 for Proceed Order No. 1 and increases the contract by $37,135.64 for a new SFHA revised Obligated Project Total of $476,917.64.

It could not be determined in advance how long the repair of the damage would take because much of the damage was concealed where the water penetrated the walls and floors. The Construction Inspector monitored the work and confirmed that it was performed in an efficient manner. It took 77 calendar days to complete the repair work. Therefore, the proposed increase in contract time is (77) calendar days.

The staff reviewed the Time and Materials cost of this work and considers it fair and reasonable given the fact that if the occupancy of 10 units were delayed for a short length of time, the loss of rental income would exceed the repair cost. In addition, without repairing the drywall, finish work on the building as well as the other repair of damaged work, i.e., insulation, flooring, carpeting, and painting could not be completed.

RESIDENT EMPLOYMENT

Resident Hiring: 18% of total workforce hours for the length of the project with one resident in a permanent role working in the general office of Harrison Drywall doing clerical work.

Harrison Drywall, Inc. carried out the prescribed 19 good faith efforts to hire residents.

Final Analysis: One resident working full-time for a private company.

MBE/WBE STATUS

The Commission approved Harrison Drywall, Inc on the following basis:

This Contractor is a Union Contractor but not and MBE/WBE Contractor, and will not require a subcontractor. Therefore, there is no MBE/WBE participation.

RECOMMENDATION

Harrison Drywall, Inc. has submitted a reasonable Change Order amount and reimbursement for the repair of vandalized drywall is being pursued through an insurance claim filed by the San Francisco Housing Authority.

The Staff recommends approval of this Resolution.

(Prepared by David Leash and Bob Dahlstrom)

RESOLUTION NO._____
DATE ADOPTED: _____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001, REPAIR OF VANDALIZED GYPSUM DRYWALL, AT CAL 1-39B, 951 EDDY STREET, WITH HARRISON DRYWALL, INC. FOR ADDITIONAL CONSTRUCTION SERVICES FOR THE AMOUNT OF $37,135.64.

WHEREAS, CAL 1-39B, 951 Eddy, while undergoing the repair of fire damage was vandalized on the weekend of October 27-28, 2001and sustained extensive damage to the finished drywall work.

WHEREAS, Harrison Drywall, Inc. has submitted a reasonable Change Order amount of $37,135.64 to provide additional construction services for the repair of damaged gypsum drywall at CAL 1-39B, 951 Eddy Street; and

WHEREAS, an insurance claim has been filed by the Authority and insurance funds are expected to pay for this work: and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws; and

WHEREAS, the Authority has evaluated the Change Order amount submitted by Harrison Drywall, Inc, and has determined that it is reasonable; and

WHEREAS, all additional relevant documents submitted by the contractor have been reviewed and found to be in order:

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute Change Order G-2 to Contract No. 10001, Repair of Damaged Gypsum Drywall, at CAL 1-39B, 951 Eddy, with Harrison Drywall, Inc. for additional Construction Services in an amount of $37,135.64.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams
CARL L. WILLIAMS, General Counsel

Date: 4-15-02

REVIEWED BY:

GREGG FORTNER
Executive Director

Date: 4/19/02

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, April 25, 2002

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in regular session at 440 Turk Street, San Francisco, California on Thursday, April 25, 2002, at 4:00 p.m.

Vice President Lee called the meeting to order at 4:25 p.m.

1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, Vice President*
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

ABSENT: (Excused) *Sululagi Palega, Sr., President*
Shirley Byrd, Commissioner

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A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Mr. Carl L. Williams, General Counsel

2. APPROVAL OF AGENDA

Mr. Fortner requested one amendment to the agenda: Delete Item 11(C). Commissioner Brown moved to approve the agenda with the amendment and Commissioner Smith seconded the motion. The amended agenda of April 25, 2002 was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes and Commissioner Brown seconded the motion. The minutes of the regular meeting of April 11, 2002 were UNANIMOUSLY APPROVED.

4. GENERAL COMMUNICATIONS

Mr. Fortner reported on the following communications which have been forwarded to the Commission: Updated Commission Request Log; an invitation for the young scholastic achievers of public housing that were recognized by the city. A reception will be held for them on May 2, at the War Memorial from 4-6 p.m. He introduced Mr. Thomas Tam, President of the Ping Yuen Residents Improvement Association, who would give a report under PHTA.

5. REPORT OF SECRETARY

Mr. Fortner reported that Mary Moore, a 40+ year resident of public housing, and an active member of the tenant association, passed away on Tuesday, April 23. Her services will be held next week, quiet hour on May 2 and the funeral on May 3. Condolences go out to the family. Commissioner Brown asked if acclamations are sent to the funerals? Mr. Fortner responded that the SFHA has in the past and will do so in this case as well.

Twenty-Two residents, representing public housing and Section 8, graduated from the Computer Learning Center Program, held on April 23rd. Mr. Fortner suggested that sometime in the near future inviting these residents to a commission meeting in order to honor and recognize their accomplishments.

Fifteen residents are working as field auditors for the national DLR group. DLR has recognized and commended two residents, Doris Fennell of Hunter's Point, and Julie Russell of Hayes Valley, for their exceptional work ethics in inputting data. Wayman Nichols was also to be commended for his exceptional reputation in job recruitment. Recently a company called KFM sent a letter to Mr. Nichols requesting his assistance in placing SFHA residents in new CalTrans employment opportunities. Praise is due to Mr. Nichols as his reputation benefits all of the residents.

Mr. Fortner announced the new internal staff assignments he has made in order to facilitate agency business as follows: Naja Boyd is the Acting Deputy Executive Director. In addition to facilitating Hope VI, Barbara Smith will take on modernization activities. Bob Dahlstrom will be assisting Barbara Smith as a Deputy Administrator. Dizella Carter is the District Director of District 2. Florence Cheng will be working in the Executive Office as an Internal Examiner and Community Liaison, especially to Chinatown. David Esparza is the Administrator of Finance, reporting directly to the Executive Office. Rene Latosa is the Deputy Administrator for Business Administration and Support Services.

Mr. Fortner called on Gerald Leroy, Contract/Procurement Division, to report on the outreach efforts of the Division in getting the maximum support and participation from the local area. Ms. Leroy stated that bidding, promotions, and contracts are done in conjunction with the city's outreach as they advertise in local newspapers. These include the San Francisco Bay Times, The San Francisco Spectrum, the Bay View in the African

American Community, the Chinese Community, and the Hispanic community. Advertisement is also posted on the Housing Authority's Website and the city's purchasing website. The Blue Book is used for contractors, in addition to the yellow pages, internet searches, the SPA, the San Francisco HRC list, the Daily Pacific Builder, Small Business Exchange, San Francisco Chronicle, California State Contracts Registers, Small Business ProNet, and the US United Minority Business Agency website. These are utilized to maximize the advertising opportunities. Contracting bids are submitted to the local exchanges throughout the area. Ms. Leroy stated that any ideas, suggestions and/or recommendations are welcome. Commissioner Brown inquired, regarding the DLR contract, whether other housing authorities had been contacted to compare pricing and costs for similar jobs. Ms. Leroy responded that to her knowledge, only two had been contacted concerning comparative costs, but was unsure of the outcome. Mr. Fortner suggested obtaining a vendor list from various Housing Authorities, which would be a good resource.

6. COMMITTEE REPORTS

Diversity Committee – Nothing to report.
Finance Committee - Nothing to report.
Personnel Committee - Nothing to report.

7. REPORT OF COUNSEL

Carl Williams stated that he had nothing to report, but a closed session would be held discussing the litigation matter, which has been noticed.

8. TENANT REPRESENTATIVE REPORT

City Wide Council-Senior/Disabled: William Vitalie, President, reported on the progress of new programs. The next meeting will be on May 13th where a special guest speaker will talk about how to deal with difficult people. He also reported that they hope to resolve some internal problems with one of the board members soon. Congratulations went to Mr. Fortner in his new position, and thanks, to Mr. Carl Williams for his continued support.

Public Housing Tenants Association (PHTA): Mr. Thomas Tam, President of the Ping Yuen Improvement Association (PYRIA) stated that he would like to continue strengthening the ties between the SFHA, organizations, and groups, to improve the living conditions and social lives of all the residents especially the Chinatown area. The laundry room was successfully moved to the bottom floor. The PYRIA is also seeking to begin a Chinese computer training course. Commissioner Lee suggested that the association also make an effort to register people to vote.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

William Vitalie – Mr. Vitalie commented on the essential assistance of SFHA as it pertained to his personal life. He encouraged the commission to pass Resolution B.

10. UNFINISHED BUSINESS

None

11. NEW BUSINESS:

(A) RESOLUTION NO. 5031

RESOLUTION AUTHORIZING THE EXPENDITURE OF SECTION 8 FUNDS AND PUBLIC HOUSING OPERATING FUNDS TO PROCURE THE SERVICES OF DENNIS JOHNSON, A STATE CERTIFIED APPRAISER, TO CONDUCT COMPARABLE RENT DETERMINATIONS FOR THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM AND TO ESTABLISH THE REQUIRED FLAT RENTS FOR PUBLIC HOUSING DEVELOPMENTS IN AN AMOUNT NOT TO EXCEED $49,000

Lawrence Andrews, Administrator for Leased Housing Division, Beverli Marshall, Director for Customer Service, and Tony Ucceferri, Special Program Administrator for Project Based Programs, Leased Housing Division, presented this resolution.

In accordance with federal requirements, the appraiser will be establishing the rent for project based programs as well as flat based rent requirements. The cost is not to exceed $49,000 and will be funded through Section 8 and Public Housing monies. This is contingent on the need and use under the contract. Minimally fourteen different sites will initially be appraised with more to come later in the calendar/fiscal year. All units will not be appraised, but rather a sample representative of the units each development has to offer, will determine the flat rent or project's rent schedule.

Mr. Fortner and Commissioner Boyd commented on the possibility of one or more of the residents shadowing the vendor, in order that a tenant directly benefits

in case future opportunities present themselves. The vendor will be consulted concerning this matter.

Although there was a large price discrepancy between this vendor and others, Ms. Leroy, Contract/Procurement Division, assured the Commission that there was no discrepancy in the quality of his work or references.

After one year a report will be given assessing the work completed.

Commissioner Boyd moved to approve Resolution No. 5031 and Commissioner Brown seconded the motion. Resolution No. 5031 was UNANIMOUSLY APPROVED.

(B) RESOLUTION NO. 5032

RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATION FOR ADMINISTRATION OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY IF SELECTED

Lawrence Andrews and Tony Ucciferri, Leased Housing Division, presented this resolution. Mr. Andrews stated that the Leased Housing Division currently administers the HOPWA program for the San Francisco Redevelopment Agency. The SFHA is required to submit a bid to continue administering this program. Commission approval is necessary to submit the bid to the Redevelopment Agency.

Commissioner Brown moved to approve Resolution No. 5032 and Commissioner Smith seconded the motion. Resolution No. 5032 was UNANIMOUSLY APPROVED.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Lavalle Shaw, President of the Alice Griffith Tenant Association – Mr. Shaw reported that there have been a number of daytime burglaries. He requested help and suggested that the nighttime security be split in half to have security patrol during the day as well. Mr. Fortner replied that the SFHA will be working with their security guards and the SFPD to solve this reoccurring problem. The gated community has not been as effective as first envisioned. Commissioner Boyd inquired about the possibility of installing surveillance cameras. Mr. Fortner stated that the budget doesn't permit for such an expense, making it imperative to team up with the SFPD. Because the nuisance hours have changed, Mr. Fortner made the point that it makes sense to change the hours of

security. The hours should be floating so that the appearance is of a 24-hour watch even though it might not be so.

Philip Lacy – Mr. Lacy posed the question, when are the flat rents going to come about, and how much will they be raised? Mr. Fortner stated that it will go into effect on October 1 with the new PHA plan and referred him to Beverli Marshall or Naja Boyd on the particulars in price.

13. COMMISSIONER'S COMMENT AND REPORT

Commissioner Lee congratulated everyone on his or her new positions. Commissioner Brown thanked Mr. Fortner for speaking at the A. Philip Randolph Conference in Los Angeles over the weekend.

14. CLOSED SESSION

A closed session was scheduled with the General Counsel and outside counsel under Government Code §54957 and §54956.9(a) to discuss existing and pending litigation: *Evans/Joseph et.al. vs. SFHA* and to discuss possible settlement and authorization to pursue litigation in the *Evans/Joseph, et.al. vs. SFHA* case.

15. RECONVENING OF COMMISSION MEETING

The Commission reconvened at 6:30 p.m. The Commissioners in attendance at the closed session were Vice President Lee, Commissioners Boyd, Brown and Smith.

Vice President Lee announced that the Commission received a briefing regarding the *Evans/Joseph* litigation. Based on the advice and recommendation of the General Counsel and outside counsel, the Commission UNANIMOUSLY VOTED to take the following action:

(1) The appeal by the SFHA of the judgment in the *Evans/Joseph* case shall be dismissed as soon as counsel determines it is appropriate to do so;

(2) General Counsel and outside counsel are authorized to initiate legal action on behalf of the SFHA against any parties or entities they deem necessary and appropriate for the best interest of the SFHA with respect to the *Evans/Joseph* matter.

16. ADJOURNMENT

Commissioner Boyd moved to adjourn the meeting and Commissioner Brown seconded the motion. There being no further business to come before the Commission, the meeting of April 25, 2002 was adjourned at 6:30p.m.

Gregg Fortner, Executive Director

Julie Lee, Vice President

SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, **JULIE LEE,** duly elected Vice President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at a Regular Meeting of the Commission held on April 25, 2002:

RESOLUTION NO. 5031

RESOLUTION AUTHORIZING THE EXPENDITURE OF SECTION 8 FUNDS AND PUBLIC HOUSING OPERATING FUNDS TO PROCURE THE SERVICES OF DENNIS JOHNSON, A STATE CERTIFIED APPRAISER, TO CONDUCT COMPARABLE RENT DETERMINATIONS FOR THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM AND TO ESTABLISH THE REQUIRED FLAT RENTS FOR PUBLIC HOUSING DEVELOPMENTS IN AN AMOUNT NOT TO EXCEED $49,000

Attached is a true and correct copy of the Resolution as adopted at the said meeting on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
Rev. Edgar E. Boyd
George R. Brown
Betty J. Smith

AGAINST ADOPTION:

Absent (Excused): Sululagi Palega, Sr.
Shirley Byrd

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: _____.

_____
Julie Lee, Vice President

RESOLUTION No. 5031
DATE ADOPTED: 4/25/02

RESOLUTION AUTHORIZING THE EXPENDITURE OF SECTION 8 FUNDS AND PUBLIC HOUSING OPERATING FUNDS TO PROCURE THE SERVICES OF DENNIS JOHNSON, A STATE CERTIFIED APPRAISER, TO CONDUCT COMPARABLE RENT DETERMINATIONS FOR THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM AND TO ESTABLISH THE REQUIRED FLAT RENTS FOR PUBLIC HOUSING DEVELOPMENTS IN AN AMOUNT NOT TO EXCEED $49,000

WHEREAS, the San Francisco Housing Authority (SFHA) desires to assist units under the Section 8 Project Based Voucher (PBV) Program; and

WHEREAS, the SFHA must comply with the Quality Housing and Work Responsibility Act, Section 523, which requires all public housing authorities to establish Flat Rents for all public housing units; and

WHEREAS, Federal regulations under 24 CFR 983.55 require that a State Certified Appraiser conduct a survey to determine comparable rents for PBV assisted units; and

WHEREAS, the SFHA is required under federal regulations [24 CFR 960.253] to establish Flat Rents for all public housing units based on the market value of the units; and

WHEREAS, the cost of completing the appraisals for all Project-Based Program pipeline projects and Public Housing developments cannot exceed $49,000; and

WHEREAS, the SFHA solicited bids from interested appraisers for two weeks and competitively ranked the bidders; and

WHEREAS, the SFHA ranked Dennis Johnson the highest amongst the four responding appraisers;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to purchase appraisal services from Dennis Johnson in an amount not to exceed $49,000.00.

2. This resolution becomes effective immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams
General Counsel

4-19-02
Date

REVIEWED BY:

Gregg Fortner
Executive Director

4/19/02
Date

SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, **JULIE LEE,** duly elected Vice President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at a Regular Meeting of the Commission held on April 25, 2002:

RESOLUTION NO. 5032

RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATION FOR ADMINISTRATION OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY IF SELECTED

Attached is a true and correct copy of the Resolution as adopted at the said meeting on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
Rev. Edgar E. Boyd
George R. Brown
Betty J. Smith

AGAINST ADOPTION:

Absent (Excused): Sululagi Palega, Sr.
Shirley Byrd

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: _____.

_____
Julie Lee, Vice President

RESOLUTION No. 5032
DATE ADOPTED: 4/25/02

RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATION FOR ADMINISTRATION OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY IF SELECTED

WHEREAS, the San Francisco Housing Authority has been charged with administration of the HOPWA Program since September 23, 1994; the MOU is due to expire on June 30, 2002; and

WHEREAS, the San Francisco Redevelopment Agency issued a Request For Qualifications (RFQ) on April 8, 2002 soliciting applications for administration of the HOPWA Program; and

WHEREAS, the San Francisco Housing Authority is interested in submitting an application in response to the RFQ; and

WHEREAS, the San Francisco Housing Authority must execute an authorizing resolution to submit a complete application in response to the RFQ; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Board of Commissioners approves the submission of application in response to the RFQ issued by the San Francisco Redevelopment Agency (SFRA) for administration of the Housing Opportunities for Person With AIDS (HOPWA) Program and authorizes the Executive Director to enter into a contract with the SFRA if the application is selected.

2. This resolution becomes effective immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams
General Counsel 4-19-02

Prepared by Lawrence Andrews, 674-3233

REVIEWED BY:

Gregg Fortner
Executive Director
4-19-02

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE SAN FRANCISCO HOUSING AUTHORITY COMMISSION WILL BE HELD ON THURSDAY, MAY 9, 2002 AT 4:00 P.M. AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
May 9, 2002

1. ROLL CALL

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner

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2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

Diversity Committee - Nothing to Report
Finance Committee - Nothing to Report
Personnel Committee – Report regarding meeting of May 7, 2002

7. REPORT OF GENERAL COUNSEL

- Status of survey regarding change in time of regular meeting

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

(A) RESOLUTION RATIFYING THE ACTIONS OF THE PROJECT MANAGER AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001 WITH HARRISON DRYWALL, INC. FOR REPAIR OF VANDALIZED GYPSUM DRYWALL AT CAL 1-39B, 951 EDDY STREET, IN THE AMOUNT OF $37,136

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A closed session is scheduled with the Executive Director, Gregg Fortner, and General Counsel under Government Code §54957 regarding the Employment Agreement between the Executive Director and the San Francisco Housing Authority.

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Executive Director

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

MAY 17, 2002

PUBLIC NOTICE

**CANCELLATION OF MAY 23, 2002
COMMISSION MEETING**

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, SCHEDULED FOR MAY 23, 2002, HAS BEEN CANCELLED.

JULIE LEE, VICE PRESIDENT

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SPECIAL COMMISSION MEETING PACKET

June 6, 2002

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SPECIAL COMMISSION MEETING PACKET

June 6, 2002

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

PUBLIC NOTICE OF SPECIAL MEETING

A SPECIAL MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON **THURSDAY, June 6, 2002 AT 4:00 P.M.**
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
June 6, 2002

1. ROLL CALL

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner

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SEATING OF NEW COMMISSIONER: ANDREW CLARK

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES 5/2 4/25/02

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

Diversity Committee - Nothing to Report
Finance Committee - Nothing to Report
Personnel Committee – Report regarding meeting of May 7, 2002

7. REPORT OF GENERAL COUNSEL

- Status of survey regarding change in time of regular meeting.

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

(A) RESOLUTION RATIFYING THE ACTIONS OF THE PROJECT MANAGER AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001 WITH HARRISON DRYWALL, INC. FOR REPAIR OF VANDALIZED GYPSUM DRYWALL AT CAL 1-39B, 951 EDDY STREET, IN THE AMOUNT OF $37,136

NEW BUSINESS (CONT.)

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH HABITAT FOR HUMANITY IN ORDER TO FORM A DYNAMIC COLLABORATION WITH THE AUTHORITY TO BUILD HOUSING ON LAND OWNED BY THE AUTHORITY IN PARTNERSHIP WITH LOW INCOME FAMILIES

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AND SUBSEQUENT CONTRACT WITH ONE ECONOMY CORPORATION TO PROVIDE RESIDENTS OF SFHA WITH COMPREHENSIVE ONLINE TOOLS FOR SELF-SUFFICIENCY IN AN AMOUNT NOT TO EXCEED $40,000.00

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-1 TO CONTRACT NO. 10013, CONCRETE DECK REPAIRS AND METAL RAILING REPLACEMENT, AT CAL 1-2, POTRERO TERRACE, WITH BEST ROOFING AND WATERPROOFING FOR ADDITIONAL CONSTRUCTION SERVICES FOR AN AMOUNT NOT-TO-EXCEED $112, 327.00

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A closed session is scheduled with General Counsel and outside counsel under Government Code Section 54956.9 (b)(1) to discuss potential litigation (case name unspecified to avoid jeopardizing existing settlement negotiations). Further, a closed session is scheduled with the Executive Director and General Counsel under Government Code 54957 regarding the Employment Agreement between the Executive Director and the San Francisco Housing Authority.

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

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DATE: June 3, 2002

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner

FROM: GREGG FORTNER, SECRETARY/EXECUTIVE DIRECTOR

SUBJECT: **RESOLUTION RATIFYING THE ACTIONS OF THE PROJECT MANAGER AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001 WITH HARRISON DRYWALL, INC. FOR REPAIR OF VANDALIZED GYPSUM DRYWALL AT CAL 1-39B, 951 EDDY STREET IN THE AMOUNT OF $37,136**

OVERVIEW

This resolution authorizes the Executive Director to execute Change Order G-2 in the amount of $37,136 for Contract No. 10001 with Harrison Drywall, Inc. It also ratifies the Project Managers actions allowing vandalism repair work at 951 Eddy Street to proceed and the contractor to perform required gypsum wallboard repair and replacement work on a time and material basis at predetermined Davis-Bacon hourly rates. Funds for this Change Order will come from $60,000 received from the Authority's insurance carrier to repair vandalism damage to 951 Eddy Street.

The Authority entered into a construction contract with Harrison Drywall, Inc. to furnish and install gypsum drywall at CAL 1-39 B, 951 Eddy Street. After the contract work was substantially completed, vandals damaged it. The Commission had authorized this contract for $437,252 on October 26, 2000. On the weekend of October 27-28, 2001, vandals entered the building, stopped the bathtubs and kitchen sinks in three units and left the water running. The water overflowed and flooded the stack of units on the north elevation. The floodwater damaged the newly installed drywall in the units on the fourth, third, second, and first floors and the finished area in the basement. Existing gypsum drywall on walls and ceilings had to be removed

and replaced with new drywall. The initial estimated cost for the repair and replacement work was $30,000 but the actual damage was greater than estimated.

Other damage, which occurred to insulation, flooring, carpeting, and painting, was severe but has been repaired by Force Account and is not part of this drywall contract. These other costs were included in the preliminary insurance claim, which was estimated at $150,000.

Immediate repair of the vandalized gypsum drywall was considered an emergency situation because:

(1) Gypsum drywall had to be removed and replaced.
(2) The quantity of work could not be quickly predetermined and recorded in construction documents as required for competitive bidding.
(3) Any further delay would have cost the Authority loss of revenue and claims from other contractors who could not perform their work because of this incomplete work further delaying occupancy.
(4) Having another contractor perform the work would have clouded Harrison's two-year guarantee
(5) TARC - The Housing Authority was obligated by TARC to complete the modernization of 951 Eddy as rapidly as possible.
(6) Delayed Project Completion – Project completion would be delayed by the same amount of time it took to arrange for and perform the remedial work,
(7) Loss of Income: - If the occupancy of 10 units were delayed by pursuing other ways of contracting the repair work, the loss of rental income from 26 units would exceed any potential savings,
(8) Layoffs - A delay in completing repair work would have forced the layoff of Force Account craftspeople, including residents, until such time as they were needed again,
(9) Residents - Dislocated senior residents were anxious to return to their home.

The Authority's Construction Inspector monitored the work and daily signed the Contractor's job tag after confirming the number of craftspeople who worked that day, the hours worked, and quantity of materials installed, thus ensuring an accurate record from which costs were computed. The Inspector maintained a record of the cumulative hours and the estimated cost.

Time Extension: It could not be determined in advance how long the repair of the damage would take because much of the damage was concealed where the water penetrated the walls and floors. The Construction Inspector monitored the work and confirmed that it was performed in an efficient manner. It took 77 calendar days to complete the repair work. Therefore, the proposed increase in contract time is 77 calendar days, only 18 days beyond the TARC extension date.

OBJECTIVES

Repair of water damaged drywall and plaster at walls and cove ceilings of the affected areas in the building (units 101, 102, 103, 201, 202, 203, 301, 302, 401, 401), the ceiling in the main lobby on the first floor, and the hall ceiling in the basement by the wheelchair lift. Replacement of damaged drywall, taping compound, and drywall accessories to their previously completed condition and ready for painting.

ANTICIPATED OUTCOMES

Restoration of the damaged drywall returned the construction to the condition that it was before the vandalism took place. This work was necessary to obtain the approvals of the building officials as well as restoring units to a habitable condition.

WHO BENEFITS

The residents of CAL 1-39B, 951 Eddy will benefit because now they will be able to occupy completed and habitable units. The Authority benefits from 24 units brought back into service as well as two new units at the earliest possible time.

BUDGET CONSIDERATIONS

Because the estimated repair cost of $150,000 would exceed the Authority's insurance deductible of $25,000, the Authority immediately filed a claim with the insurance carrier. An insurance adjuster viewed the damage within several days of the occurrence. Insurance funds are expected to pay for the repair of the vandalism. A partial payment check in the amount of $60,000 has been received. The out of pocket cost to the Authority is expected to be the $25,000 insurance deductible.

The chart below summarizes the proposed change order cost based on the labor rates and markup set in Proceed Order No. 1, as well as material and equipment cost. The Authority's Construction Inspector monitored the installation and verified the time and materials consumed. The change order quantities and costs are shown below.

(See Attached Field Record of Damaged Drywall Repair)

Labor	Labor Rate	Hours	Sub-Total	5% Overhead	10% Profit	Total
Taper Forman	$56.34	151.5	8,535.51	426.78	853.56	9815.85
Taper Journeyman	$53.86	202.5	10,906.65	545.33	1090.66	12542.64
Drywall Journeyman	$50.00	104	5,200.00	260	520.00	5980.00
Drywall Foreman	$53.53	17.5	936.78	46.84	93.68	1077.30
Stocker / Scrapper	$26.66	21	559.86	27.99	55.98	643.84
Taper Apprentice	$42.57	68	2,894.76	144.73	289.48	3328.97
					Subtotal	**$33,388.60**
Materials			Material Cost	$2,071.94		
			10% Mark up	207.19		
			Tax	176.11		
					Subtotal	**$2,439.26**
Equipment / Parking / Misc						$1,307.78
					Grand Total:	**$37,135.64**

This change order increases the contract by $37,136 for a new SFHA revised Obligated Project Total of $476,918.

RESIDENT EMPLOYMENT
The Contractor achieved resident employment equal to 18% of total workforce hours for the length of the project. One resident is permanently employed in the general office of Harrison Drywall doing clerical work.

The Authority's Resident Hiring Specialist advised that residents could not be found who were interested in apprenticeship and the career opportunities made available in the drywall industry. He further advised that Harrison Drywall, Inc. carried out the prescribed 19 good faith efforts to hire residents.

MBE/WBE STATUS
The Commission approved Harrison Drywall, Inc for the original contract on the following basis:

This Contractor is a Union Contractor but not and MBE/WBE Contractor, and will not require any subcontractors. Therefore, there is no MBE/WBE participation.

RECOMMENDATION
Staff reviewed the signed daily job tags, wage rates, material costs and total cost of this work and considers the Contractor's change order request fair and reasonable

The Staff recommends approval of this Resolution.

(Prepared by Francis Eng, David Leash and Bob Dahlstrom)

RESOLUTION NO.:_____
DATE ADOPTED:_____

RESOLUTION RATIFYING THE ACTIONS OF THE PROJECT MANAGER AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-2 TO CONTRACT NO. 10001 WITH HARRISON DRYWALL, INC., FOR REPAIR OF VANDALIZED GYPSUM DRYWALL AT CAL 1-39(B), 951 EDDY STREET IN THE AMOUNT OF $37,135.64.

WHEREAS, on October 26, 2000, the SFHA Commission authorized the Executive Director to enter into a contract with Harrison Drywall, Inc., to provide gypsum drywall and installation at CAL 1-39(B), 951 Eddy Street for an amount not-to-exceed $437,252.00; and

WHEREAS, the Housing Authority entered into Contract No. 10001 with Harrison Drywall, Inc., for this work; and

WHEREAS, 951 Eddy Street, was vandalized on the weekend of October 27-28, 2002 and sustained extensive damage to the finished drywall work, which work needed to be replaced and repaired; and

WHEREAS, a Proceed Order was issued by the Project Manager since the work needed to be completed as quickly as possible and it was more cost effective to perform the work under the existing contract; and

WHEREAS, Harrison Drywall, Inc., has submitted a Change Order amount of $37,135.64 the Authority has evaluated this Change Order and has determined that it is reasonable; and

WHEREAS, sufficient funds are available from insurance proceeds from the vandalism insurance claim.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute Change Order G-2 to Contract No. 10001, with Harrison Drywall, Inc., for additional construction services at 951 Eddy, in an amount of $37,135.64.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams

CARL L. WILLIAMS, General Counsel

Date: May 3, 2002

REVIEWED BY:

Gregg Fortner

GREGG FORTNER, Executive Director

Date: 5/3/02

B

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DATE: May 23, 2002

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown,, Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH HABITAT FOR HUMANITY IN ORDER TO FORM A DYNAMIC COLLABORATION WITH THE AUTHORITY TO BUILD HOUSING ON LAND OWNED BY THE AUTHORITY IN PARTNERSHIP WITH LOW INCOME FAMILIES**

OVERVIEW

As a non-profit, Habitat for Humanity approaches collaborations with agencies, private and public organizations to develop ownership housing in partnership with people in need. They have been building homes for ownership by low income families in the city of San Francisco since 1996 and are planning to build another 50 homes in the next 5 years.

Reverend Jim Lowder and Mara Finney approached SFHA staff a couple of years ago to explore an opportunity to work together. Since then, Mr. Sululagi Palega has been given a tour of present Habitat for Humanity (Habitat) projects under construction and is well advised of the work Habitat does in the City. Most recently, Reverend Lowder and Ms. Finney identified some potential building opportunities on surplus public land, and approached SFHA, to consider that such public land may be more easily disposed of to a public agency, and then made available to Habitat.

In return to committing to transacting the property to Habitat for Humanity, Habitat will reciprocate by giving of preference to SFHA residents and/ or employees when selecting families for the future affordable home ownership opportunities on these properties.

OBJECTIVES

This resolution will authorize the Executive Director to enter into an MOU with Habitat for Humanity to provide SFHA low income housing residents with an alternative to first time homeownership, and address the need for decent, affordable housing. This will be accomplished by forming this dynamic collaborations with Habitat for Humanity to build housing in partnership with low income families who contribute "sweat equity" hours towards the construction of their homes in lieu of down payments, and partners families can purchase these homes at cost with no interest mortgages to insure that no more than one-third of the families' income is spent on housing

ANTICIPATED OUTCOMES

Habitat for Humanity has identified some potential building opportunities on surplus land owned by other agencies, and has considered that such public land may be easily disposed of to a public agency, and then made available to Habitat. In return for committing to transacting the property to Habitat for Humanity, Habitat will reciprocate by giving preference to qualifying SFHA residents and Section 8 voucher holders when selecting families for the future affordable home ownership opportunities on 50% of these properties.

This preference is defined below in the Application Process:

1. Interested families attend an orientation meeting and complete the initial application which describes the homeownership opportunity, the application process, and the Habitat program.

2. Interested applicants attend a Habitat Application Workshop, where they complete an application for homeownership.

3. Habitat staff and Family Partnership Committee review applications to determine which applicants are eligible for further consideration. Families who do not qualify will be notified by letter.

4. The second phase is a home-visit and interview by two members of the Family Partnership Committee. The purpose of the home interview is to learn more about a family applicant's current living situation. After these visits, the Family Selection Committee will identify the families who best meet the four criteria (income-eligible, need for housing, ability to pay and willingness to "partner": to participate in sweat equity program). The Family Partnership Committee identify the families that have the greatest need for housing and most willingness to partner.

5. Out of this group of families, Habitat will use the following order of preference, per this MOU, to select Habitat Partner Families:

Preference	Situation
1	Currently living in San Francisco Housing Authority homes
2	Currently Participating in the Section 8 Program
3	*Other* Residents of San Francisco (min. 12-month residency required prior to offer to purchase)

If more than families qualify then homes being constructed, a lottery will be held among all eligible families. If a lottery is required, the drawing of names will be held in a well-advertised and public location. Finally, the Authority will utilize all its resources to assist in these transactions to be accomplished in the most expeditious and affordable ways, including, but not limited to Section 8 Home ownership program, Family Self-Sufficiency Program, and others.

WHO BENEFITS
Public housing residents, Section 8 vouchers participants, and other subsidized low-income households will benefit from first time homeownership opportunities and other programs derived from this partnership.

BUDGET CONSIDERATION
NOT APPLICABLE

RESIDENT HIRING
Habitat for Humanity has agreed to meet the Resident Hiring requirement on this job.

MBE/WBE PARTICIPATION
Habitat for Humanity is not an MBE/WBE organization, but is a non-profit corporation.

RECOMMENDATION
This MOU provide an alternative solution to the need for decent, affordable housing in the city of San Francisco by forming a dynamic collaboration between Habitat for Humanity and the Authority. Habitat will give preference (as defined above in "Application Process") to SFHA residents and Section 8 voucher holders when selecting families for the future affordable home ownership opportunities on these properties.

Finally, Habitat has committed to provide all the financing for the cost of the construction, and a portion of the cost of the land, if necessary, and the Authority has committed to work exclusively with Habitat on such properties that Habitat brings to the table that are not part of the Authority portfolio.

Adoption of this Resolution is recommended.

(Prepared by: Barbara T. Smith and Juan S. Monsanto)

DRAFT

MEMORANDUM OF AGREEMENT
BETWEEN
SAN FRANCISCO HOUSING AUTHORITY
AND
HABITAT FOR HUMANITY SAN FRANCISCO

This Memorandum of Agreement by and between the San Francisco Housing Authority, hereinafter referred to as the "Authority" and the Habitat for Humanity San Francisco, hereinafter referred to as "Habitat" is entered into the _____ of _____, 2002.

WITNESSETH THAT:

WHEREAS, Habitat is a nonprofit community-based organization which builds ownership housing in partnership with people in need, and has been building homes for ownership by low income families in the city of San Francisco since 1996 and will build another 50 homes in the next five years; and,

WHEREAS, Habitat provides a solution to the need for decent, affordable housing by forming dynamic collaborations with community members who come together to build housing in partnership with low income families who contribute "sweat equity" hours towards the construction of their homes in lieu of down payments, and partner families can purchase these homes at cost with no interest mortgages to insure that no more than one-third of the families' income is spent on housing; and,

WHEREAS, families are selected to partner with Habitat based on their need for affordable housing, their ability to repay a no-interest mortgage loan, and their willingness to invest 200 to 500 hours of sweat equity; and,

WHEREAS, such families' incomes may range from 35 to 60 percent of the median income; and,

WHEREAS, Habitat has identified some potential building opportunities on surplus land owned by other agencies and has considered that such public land may be easily disposed of to a public agency, and then made available to Habitat; and,

WHEREAS, in return for committing to transacting the property to Habitat for Humanity, Habitat will reciprocate by giving preference to qualifying SFHA residents and Section 8 voucher holders when selecting families for future affordable home ownership opportunities on 50% of these properties. This preference is defined below in the Application Process:

Application Process:

1. Interested families attend an orientation meeting and complete the initial application, which describes the homeownership opportunity, the application process, and the Habitat program.

DRAFT

2. Interested applicants attend a Habitat Application Workshop, where they complete an application for homeownership.

3. Habitat staff and the Family Partnership Committee review applications to determine which applicants are eligible for further consideration. Families who do not qualify will be notified by letter.

4. The second phase is a home-visit and interview by two members of the Family Partnership Committee. The purpose of the home interview is to learn more about a family applicant's current living situation. After these visits, the Family Selection Committee will identify the families who best meet the four criteria (income-eligible, need for housing, ability to pay and willingness to "partner": to participate in sweat equity program). The Family Partnership Committee identify the families that have the greatest need for housing and most willingness to partner. Out of this group of families, Habitat will use the following order of preference, per this MOU, to select Habitat Partner Families:

Preference	Situation
1.	Currently living in San Francisco Housing Authority homes
2.	Currently Participating in the Section 8 Program
3.	*Other* Residents of San Francisco (minimum 12-month residency required prior to offer to purchase)

5. If more families qualify than homes being constructed, a lottery will be held among all eligible families. If a lottery is required, the drawing of names will be held in a well-advertised and public location; and,

WHEREAS, the Authority will utilize all its resources to assist in these transactions to be accomplished in the most expeditious and affordable ways, including, but not limited to Section 8 Home ownership program, Family Self-Sufficiency Program, and others; and,

WHEREAS, the Authority has identified other under utilized land within the Authority property that could be utilized to build home ownership opportunities at Habitat's cost and Habitat in return for the land deed or land lease will offer to reciprocate by giving preference (defined above in the "Application Process") to SFHA residents and Section 8 voucher holders when selecting families for future affordable home ownership opportunities on these properties; and,

WHEREAS, the provision of affordable home ownership for residents of the city of San Francisco is paramount.

DRAFT

NOW, THEREFORE THE PARTIES DO MUTUALLY AGREE AS FOLLOWS:

1. The Authority was approached by Habitat for Humanity San Francisco to provide a solution to the need for decent, affordable housing in the city of San Francisco by forming a dynamic collaboration with the Authority to come together to build housing on land owned by the Authority in partnership with low income families who contribute "sweat equity" hours towards the construction of their homes in lieu of down payments, and partner families can purchase these homes at cost with no interest mortgages to insure that no more than one-third of the families' income is spent on housing.

2. Habitat will give preference (as defined above in "Application Process) to SFHA residents and Section 8 voucher holders when selecting families for future affordable home ownership opportunities on these properties.

3. Habitat has committed to provide all the financing for the cost of the construction and a portion of the cost of the land, if necessary.

4. The Authority has committed to work exclusively with Habitat on such properties that Habitat brings to the table that are not part of the Authority portfolio.

5. This Memorandum of Agreement shall take effect immediately.

HABITAT FOR HUMANITY SF
78 Ocean Avenue
San Francisco, CA 94112

_____
Executive Director

_____
Date

_____
Legal Counsel

_____
Date

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street
San Francisco, CA 94102

_____
Executive Director

_____
Date

_____
General Counsel

_____
Date

RESOLUTION NO._____
DATE ADOPTED. _____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH HABITAT FOR HUMANITY IN ORDER TO FORM A DYNAMIC COLLABORATION WITH THE AUTHORITY TO BUILD HOUSING ON LAND OWNED BY THE AUTHORITY IN PARTNERSHIP WITH LOW INCOME FAMILIES

WHEREAS, the Authority is a public housing authority formed pursuant to California Health and Safety Code 3280 et seq. and governed by certain regulations promulgated by the United States Department of Housing and Urban Development ("HUD"). The Authority's governing board is appointed by the Mayor of the City and County of San Francisco (the "City"); and,

WHEREAS, the Authority is the owner of that certain public housing developments which consist of Six Thousand Six Hundred and Fifteen (6,615) apartment units, located in the City and County of San Francisco, California, and,

WHEREAS, Habitat is a nonprofit community-based organization which builds ownership housing in partnership with people in need, and is currently building homes for ownership by low income families in the city of San Francisco since 1996 and will build another 50 homes in the next 5 years; and,

WHEREAS, Habitat provides a solution to the need for decent, affordable housing by forming dynamic collaborations with community members who come together to build housing in partnership with low income families who contribute "sweat equity" hours towards the construction of their homes in lieu of down payments, and partners families can purchase these homes at cost with no interest mortgages to insure that no more than one-third of the families' income is spent on housing; and,

WHEREAS, families are selected to partner with Habitat based on their need for affordable housing, their ability to repay a no-interest mortgage loan, and their willingness to invest 200 to 500 hours of sweat equity; and,

WHEREAS, such families' incomes may range from 35 to 60 percent of the median income; and,

WHEREAS, Habitat for Humanity has identified some potential building opportunities on surplus land owned by other agencies, and has considered that such public land may be easily disposed of to a public agency, and then made available to Habitat; and,

WHEREAS, in return for committing to transacting the property to Habitat for Humanity, Habitat will reciprocate by giving preference to qualifying SFHA residents and Section 8 voucher holders when selecting families for the future affordable home ownership opportunities on 50% of these properties. This preference is defined below in the Application Process:

Application Process:

1. Interested families attend an orientation meeting and complete the initial application, which describes the homeownership opportunity, the application process, and the Habitat program.

2. Interested applicants attend a Habitat Application Workshop, where they complete an application for homeownership.

3. Habitat staff and Family Partnership Committee review applications to determine which applicants are eligible for further consideration. Families who do not qualify will be notified by letter.

4. The second phase is a home-visit and interview by two members of the Family Partnership Committee. The purpose of the home interview is to learn more about a family applicant's current living situation. After these visits, the Family Selection Committee will identify the families who best meet the four criteria (income-eligible, need for housing, ability to pay and willingness to "partner": to participate in sweat equity program). The Family Partnership Committee identify the families that have the greatest need for housing and most willingness to partner. Out of this group of families, Habitat will use the following order of preference, per this MOU, to select Habitat Partner Families:

Preference	Situation
1.	Currently living in San Francisco Housing Authority homes
2.	Currently Participating in the Section 8 Program
3.	*Other* Residents of San Francisco (minimum 12-month residency required prior to offer to purchase)

5. If more families qualify than homes being constructed, a lottery will be held among all eligible families. If a lottery is required, the drawing of names will be held in a well-advertised and public location; and,

WHEREAS, the Authority will utilize all its resources to assist in these transactions to be accomplished in the most expeditious and affordable ways, including, but not limited to Section 8 Home ownership program, Family Self-Sufficiency Program, and others; and,

WHEREAS, the Authority has identified other under utilized land within the Authority property that could be utilized to build home ownership opportunities at Habitat's cost and Habitat in return for the land deed or land lease, will offer to reciprocate by giving preference (defined above in the "Application Process") to SFHA residents and Section 8 voucher holders when selecting families for the future affordable home ownership opportunities on these properties; and,

WHEREAS, the provision of affordable home ownership for residents of the city of San Francisco is paramount.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Authority was approached by Habitat for Humanity San Francisco to provide a solution to the need for decent, affordable housing in the city of San Francisco by forming a dynamic collaboration with the Authority to come together to build housing on land owned by the Authority in partnership with low income families who contribute "sweat equity" hours towards the construction of their homes in lieu of down payments, and partners families can purchase these homes at cost with no interest mortgages to insure that no more than one-third of the families' income is spent on housing; and,

2. Habitat will give preference (as defined above in Application Process) to SFHA residents and Section 8 voucher holders when selecting families for the future affordable home ownership opportunities on these properties ; and

3. Habitat has committed to provide all the financing for the cost of the construction, and a portion of the cost of the land, if necessary; and

4. The Authority has committed to work exclusively with Habitat on such properties that Habitat brings to the table that are not part of the Authority portfolio; and

5. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY: REVIEWED BY:

Phillip Matsumoto for

CARL WILLIAMS, General Counsel

GREGG FORTNER, Executive Director

Date 5-31-02

Date 6/3/02

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DOCUMENTS DEPT.

JUN 13 2002

SAN FRANCISCO
PUBLIC LIBRARY

DATE: May 23, 2002

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown,, Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AND SUBSEQUENT CONTRACT WITH ONE ECONOMY CORPORATION TO PROVIDE RESIDENTS OF SFHA WITH COMPREHENSIVE ONLINE TOOLS FOR SELF-SUFFICIENCY IN AN AMOUNT NOT TO EXCEED $40,000.00.**

OVERVIEW

One Economy Corporation recently indicated that *"today, between 35 to 45 million people in the United States exist outside the economic mainstream because they live in poverty, are unemployed or lack access to basic financial services such as checking accounts. The digital divide is the current manifestation of the long standing issue of poverty and the gulf that exists between the "haves" and "haves-nots". While factors contributing to poverty vary person-by-person, social and economic isolation is a common thread. Low-income people simply are not part of a network of connections that bring them into the mainstream. The isolation keeps them from financial services that enable them to save, from allowing them themselves to dream about one day owning a home, from taking care of their own health and from jobs that provide a living wage with health benefits."*

Technology and the Internet offers the chance to change all that. With One Economy, San Francisco Housing Authority (SFHA) can create a comprehensible, cost effective gateway to mainstream financial services, health care, jobs, education and homeownership opportunities. SFHA has a very successful Computer Learning Center Program, which now encompasses nine (9) computer learning centers city wide. Over four hundred SFHA residents have trained

through these centers and the classes keep on filling to capacity. This program will allow SFHA to capitalize on this experience.

ONE ECONOMY CORPORATION is a non-profit headquartered in Washington, DC offering UNIQUE services to housing authorities nationwide. At a January 2002 HOPE VI conference SFHA staff was introduced to this company by Ron Ashford, Director of the HOPE VI Community and Supportive Services in Washington, DC, and recommended highly the consideration of participating in this program.

As an innovative housing authority, SFHA was approached to become one of five (5) housing authorities to create a model website for housing authority residents. During the past several years, One Economy's principals have developed and implemented several national strategies and initiatives that used the Internet to leverage capital and information to benefit low income people.

This UNIQUE program has three key components:

1. Construction of a Website, www.theBeehive.org, to provide low-income individuals with a menu of Web-based products and services focusing on financial services, education, jobs, health care, and homeownership that help them build assets and raise their standard of living; and,

2. Creation of initiatives and partnerships that enable and encourage low-income individuals to acquire Internet access in their home and to use the Beehive; and

3. Building digital communities in select geographic communities to increase the aptitude and comfort of participating individuals with the Internet culture, and demonstrate new applications for the Beehive to increase local usage.

This resolution will authorize the Executive Director to enter into a Memorandum of Understanding and an agreement to contract with One Economy Corporation to provide residents of SFHA with comprehensive online tools for self-sufficiency in an amount not to exceed $40,000.00.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws. Based on the following seven (7) considerations, staff has completed an evaluation of the programs and submitted them as justification to provide 'by sole source' the referenced MOU and Agreement services **(Attachment C (to the Agreement) – Memorandum of Justification).**

Consideration #1

One Economy is the only non-profit in the United States that offers these services. For the last five years, they have been offering continuous services to housing authorities in the East Coast and SFHA is the first privileged housing authority to be offered the opportunity to benefit from this great idea. SFHA has been selected as one of five housing authorities to develop a

customized web-site pilot program **for SFHA RESIDENTS.** One Economy Corporation, (www.one-economy.com) is a national non-profit dedicated to using technology as a tool to help low income people developing policies that spur the inclusion of high speed Internet connectivity and PC access into affordable rental housing.

Consideration #2

Housing Research Foundation (HRF) listing of HUD Consultants – www.housingresearch.org – consultants were evaluated based on their resources and offering similar services. **None of them provide the same high-tech digital divide expertise in the Economic Development area** (see enclosure).

Consideration #3

Competitive fee proposal. Fees were reviewed at three web site design companies, and they range as follows:

EnterCOMM	Rob Faulkner	415.440.8100	$100,000
Lucille, Inc.	Barbara Brust	510.548.5753	$60,000
One Economy, Inc.	**Ben Hecht**	**202.393.4660**	**$40,000**

Consideration #4

One Economy, and its creators, have had an **in-depth knowledge of the HOPE VI Program having worked with Portland, Baltimore and Chicago housing authorities revitalization process, HOPE VI programs, and other public and subsidized housing programs, integrating housing with community and supportive services.**

Consideration #5

Firm was recommended as a **UNIQUE program** to be developed with only 5 other housing authorities around the country by **Mr. Ron Ashford, Director of Community and Supportive Services**, Washington, D.C.

Consideration #6

Selecting the firm will result in **time and potential cost savings**, and its initial outcome can be presented as early as the **July 31-August 3, 2002** HUD-sponsored **HOPE VI Youth Conference** being held at U.C. Berkeley.

Consideration #7

Firm offers the best opportunity to provide PROVEN results and work experience that shows successful completion of tasks for a unique low cost. **This is a unique opportunity to acquire technical assistance to allow Hayes Valley to become the first wireless LAN (Local Area Network) Pilot from Cisco Fellows on a pro-bono basis, due to the partnership with One Economy and other technology corporations providing donations, in-kind services and technical assistance**.

OBJECTIVES

This resolution will authorize the Executive Director to enter into a contract with One Economy to provide residents of SFHA housing with comprehensive online tools for self sufficiency in an amount not to exceed $40,000.00. This contract will provide "the Beehive", a comprehensive

1. Increase access to the Internet in low-income homes
2. Aggregate the economic power of low income households
3. Help low-income households accumulate assets in the form of social and economic capital
4. Foster civic engagement
5. Create a key linchpin for their households to lift up and out of poverty

ANTICIPATED OUTCOMES

By August 2002, this program will focus on these three key areas: access, content and the final "digital community".

1. ACCESS

Less than 30 percent of low-income households around the country have Internet access. This program will help bring computers and Internet access into the homes of low-income people through partnerships with the private sector, community based non-profit organizations and SFHA.

2. CONTENT

Less than 10 percent of web sites are appropriate for adults with limited literacy. This program will develop self-help oriented content in both Spanish and English (at this time), through the Beehive website. The contents will be written specifically for low-income people, in languages and at a literacy level that is appropriate. It will focus on health, jobs, money, education and family. The ultimate goal is for the Beehive to provide low-income people with the information and connections they need at the local level to take action to improve their lives.

3. DIGITAL COMMUNITY

In San Francisco, the locally-specific content for the Beehive will be created to enable public housing residents to locate affordable childcare; determine their eligibility for state and federal programs; connect with local leaders; search job listings; locate local banks and credit unions; learn about school choice issues and available special education programs, etc.

WHO BENEFITS

Public housing residents, Section 8 vouchers participants, and other subsidized low-income households will benefit from improved connections across the digital divide and a myriad of access opportunities not currently available at a layperson's level.

BUDGET CONSIDERATION

Funds are available through the HOPE VI Community and Supportive Service funds from Bernal Dwellings, Plaza East, Valencia Gardens and North Beach in the amount of $40,000.

RESIDENT HIRING

Although the contract amount is below the Commission's threshold for resident hiring, One Economy has agreed to hire one resident to perform appropriate tasks.

MBE/WBE PARTICIPATION

One Economy Corporation is not an MBE/WBE firm, but is a non-profit corporation.

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ONE ECONOMY CORPORATION TO PROVIDE RESIDENTS OF SFHA HOUSING WITH COMPREHENSIVE ONLINE TOOLS FOR SELF-SUFFICIENCY IN AN AMOUNT NOT TO EXCEED $40,000.00.

RECOMMENDATION

This program, applied with our SFHA Computer Learning Center programs, will provide access to technology to low-income affordable housing residents around the country and will use that technology to connect people to information and tools they can use to take action and improve their lives.

Adoption of this Resolution is recommended.

(Prepared by: Barbara T. Smith, Belinda Morgan, Marie Swanson and Juan S. Monsanto)

AGREEMENT TO PROVIDE RESIDENTS WITH COMPREHENSIVE ONLINE TOOLS FOR SELF-SUFFICIENCY FOR THE SAN FRANCISCO HOUSING AUTHORITY

CONTRACT NUMBER _____

Agreement made and entered into this _____ day of May, 2002 by and between the San Francisco Housing Authority (the "Local Authority") and ONE ECONOMY CORPORATION (the "Consultant").

W I T N E S S E T H

WHEREAS, the Local Authority wishes to retain the Consultant and the Consultant wishes to provide residents of Local Authority housing with computers and Internet access, comprehensive online and community-based asset building tools, and training.

WHEREAS, the Consultant has proposed to provide said services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Local Authority and the Consultant agree as follows:

1. **Project Description:**

   For this project, One Economy Corporation will provide local self-sufficiency content and a suite of communication tools on its Web site, www.thebeehive.com, for San Francisco Housing Authority, based on their experience, **Attachment C – Memorandum of Justification.**

2. **Scope of Services:**

   The Consultant shall provide those services described in **Attachment B – Scope of Services**, which is incorporated herein by reference as though set forth in full. However, with respect to conflict or ambiguity between this Agreement and the proposal, this Agreement shall control.

   The Local Authority coordinator for the Local Authority's activities and staff with the Consultant will be Belinda Morgan, Director, Computer Learning Centers.

3. **Incorporation:**

   All requirements of the Request for Proposals and the representations made in the Consultant's proposal that are not in conflict with provisions of this Agreement are hereby incorporated by reference and made an integral part of the Agreement as though fully set forth herein.

4. **Schedule of Performance:**

The services of the Consultant shall commence within five (5) working days of the Local Authority's issuance of a written "Notice to Proceed".

This Agreement shall terminate on September 27, 2002, unless otherwise modified in writing prior to such termination. Monthly up-date meetings will be held in May, June, and July, 2002.

5. **Compensation:**

Compensation shall be paid to the Consultant upon receipt and approval by the Local Authority of an invoice setting forth work actually completed. Total payment under this contract shall not exceed FORTY THOUSAND dollars and NO cents ($ 40,000.00).

6. **Invoices and Payments:**

The Consultant will submit an invoice itemizing the services performed and expenses incurred in a form acceptable to the Local Authority. Payment to the Consultant will normally be made within 30 days upon receipt of invoice and verification by the Local Authority of services rendered and expenses incurred. The Local Authority may withhold payment to the Consultant pending resolution of, in an amount equal to disputed or disapproved amounts, for work not completed or delivered as required the terms of this Agreement.

Consultant is required to advise the Authority when 80% of the contract amount has been expended. The Authority then will review the time and/or funding available and redirect the work of the Consultant as required.

For Contracts that are per hour, at a minimum, invoices will include the date work was performed, and name of service provider. Additionally, for all HOPE VI work, invoices must be individually billed by HOPE VI development e.g., one invoice will pertain to Bernal, one invoice to North Beach, etc.

No facsimile, copying, email prints or telephone charges are reimbursable under this contract.

Meals and incidentals are included in this contract, and are limited to the prevailing federal government per diem rates and limitations. These charges will be summarized for each billing period. In addition, for HOPE VI work, charges will be applied on a pro rata basis to each development.

Failure to follow these guidelines will result in the invoice being returned for correction and resubmittal.

Any exceptions to this section must be requested and approved in writing by the contract monitor. Consultant expressly acknowledges that all unapproved items are performed at Consultants expense.

7. **Invoices Shall be Transmitted to:**

SAN FRANCISCO HOUSING AUTHORITY
Post Office Box 423630
San Francisco, CA 94124-3640
Attention: Finance Department
Contract Number _____

Payment of approved amounts shall be transmitted to:

ONE ECOMONY CORPORATION, Attention: Ben Hecht
1012 14TH Street NW, Suite 905
Washington, DC 20005

Notices that may be issued by the parties shall be transmitted to the above address.

8. **Independent Contractor:**

In the performance of the services hereunder, the Consultant shall be an independent contractor and not an employee of the Local Authority. The employees furnished by the Consultant to perform the work shall be deemed to be the Consultant's employees exclusively and said employees shall be paid by the Consultant for all services. The Consultant shall be responsible for all obligations and reports covering Social Security, Unemployment Tax and other reports required by any applicable State or Federal law. Consultant shall not have authority to act on behalf of the Local Authority in any capacity whatsoever nor to bind the Local Authority to any obligation whatsoever.

9. **Indemnification:**

To the fullest extent permitted by law, the Consultant shall assume the defense of, indemnify and save harmless the Local Authority and its officers and employees (collectively "Indemnitees") from any claim, loss, damage, injury (including, without limitation, injury to or death of an employee of the Consultant or its subconsultants) and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorney's fees and costs of investigation) that arise directly, in whole or in part, from (1) the services under this Agreement, or any part thereof and/or (2) any act or omission of the Consultant, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"), even if such Liabilities are caused in part by the negligence of any Indemnitee, subject to the provisions set forth in this Section. To the extent, however, that the foregoing provision imposes an obligation of the Consultant which does not involve any negligence or other breach of obligation on the part

of the Consultant or its subconsultants, then, provided the Consultant is in compliance with its insurance obligations under Section 11. below, such obligation shall be limited to the extent to which it is covered by the Consultant's insurance and that of its subconsultants, in no event, however, shall the Consultant's liability or indemnification responsibilities be so limited in the event of negligence or other breach of obligation on the part of the Consultant or its subconsultants.

The Consultant assumes no liability whatsoever for the sole negligence or willful misconduct of any Indemnitee or the contractors of any Indemnitee.

The Local Authority shall include a provision in the construction contract with the general contractor on the project requiring the general contractor to indemnify the Consultant for the negligence of the general contractor and its subcontractors. The risk of an inadvertent omission of such provision is on the Consultant. Therefore, the Consultant shall review the construction contract prior to bidding to ensure that a provision has been included in the draft of the bid documents.

The Consultant's indemnification obligations for claims involving "Professional Liability" (claims involving acts, errors, or omissions in the rendering of professional services) and "Economic Loss Only" (claims involving economic loss which are not connected with bodily injury or physical damage to property) shall be limited to the extent of the Consultant's negligence or other breach of duty.

10. Termination:

The Local Authority may, at any time prior to completion of the work, terminate this Agreement for any reason, including, but not limited to, default by the Consultant or circumstances beyond the control of Consultant. In the event the Local Authority terminates this Agreement for convenience, the Consultant, within ten (10) days of receiving such notice, shall submit an invoice to the Local Authority in an amount which represents the compensation for services actually performed to the date of termination and for which the Consultant has not been previously compensated. Upon payment of the sum found due, the Local Authority shall be under no further obligation to the Consultant financial or otherwise.

11. Insurance:

The Consultant shall maintain in full force and effect during the entire contract term Commercial and/or Comprehensive General Liability (including owned and not-owned automobile insurance) Insurance in the minimum limits set forth below and in a solvent company or companies that maintain a rating of "B+" or better and admitted to sell insurance in California through the Department of Insurance. This insurance must be under the usual terms employed by casualty companies in California, naming the Local Authority and its respective members, officers, agents and employees as additional insured. Such insurance shall protect such additional insured and indemnify them against direct or

contingent loss or liability for bodily injury, death and/or property damage arising in any manner from the Consultant's performance of this Agreement with the Local Authority, or the nature of the services provided, or any operations under or connected with this Agreement with the Local Authority.

A. The Consultant will maintain in force, during the full term of the Agreement, insurance as follows:

(1) Worker's Compensation Employers' Liability with limits as required by State of California (currently **$1,000,000** for each accident).

(2) Comprehensive General Liability Insurance with limits not less than **$1,000,000** per person per occurrence Combined Single Limit Bodily Injury and Property Damage, including Contractual Liability, and Completed Operations coverage. If the Consultant has a "claims-made" policy, then the following additional requirements apply: the policy must provide a "retroactive date" which must be on or before the execution date of the Contract; and the extended reporting period may not be less than five years following the completion of the Contract.

(3) Comprehensive Automobile Liability Insurance with limits not less than **$1,000,000** each occurrence Combined Single Limit Bodily Injury and Property Damage.

(4) Consultant's Professional Liability Insurance with a limit of not less than **$500,000** each occurrence. If the policy is in claims-made form, the Consultant agrees to maintain such insurance for three (3) years following the completion of the construction of the project; provided that if such insurance is not available on commercially reasonable terms (i,e., the premiums for the same coverage has increased at least by 200%) during such three year period, the Consultant may self-insure.

The Consultant and the Local Authority acknowledge that the insurance coverage limits provided above may not be sufficient to cover possible (unforeseen and unanticipated) claims. Therefore, subject to further negotiations after the execution of this Agreement, this Section 11.0 may be amended in writing to provide for an increase in coverage and for a correlative increase in the Consultant' fee.

B. Comprehensive General Liability and Comprehensive Automotive Liability Insurance policies shall be endorsed to provide the following:

(1) Name as ADDITIONAL INSURED the San Francisco Housing Authority, its Officers, Members of Commission, Agents, Employees.

(2) That such policies are primary insurance to any other insurance available to

the Additional Insured, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not increase the insurer's limits of liability.

(3) All policies shall be endorsed to provide thirty (30) days advance written notice to the Local Authority of cancellation, non-renewal or reduction in coverage, mailed to the following address:

San Francisco Housing Authority
440 Turk Street, 2nd Floor
San Francisco, CA 94102
Attention: Contract/Procurement Division

(4) Certificates of Insurance, in form and with insurers satisfactory to the Local Authority, evidencing all coverages above, shall be furnished to the Local Authority prior to award and before commencing any operations under this Agreement, with complete copies of policies to be furnished promptly upon the written request of the Local Authority, at the following address:

San Francisco Housing Authority
440 Turk Street, 2nd Floor
San Francisco, CA 94102
Attention: Contract/Procurement Division

(5) Any coverages which the Consultant proposes to self-insure, or any intention to operate vehicles other than automobiles (i.e., boats, aircraft, etc.) shall require prior Local Authority approval of the appropriate insurance to be agreed upon.

Approval of the insurance by the Local Authority shall not relieve or decrease the liability of the Consultant hereunder. This Agreement shall terminate immediately, without notice to the Consultant, upon any lapse of required insurance coverage. The Consultant shall be advised that should the Consultant through its negligence fail to meet the professional standards of care and performance of its services that results in additional costs to the Local Authority, it will be the intention of the Local Authority to recoup these costs from the Consultant.

12. **Assignment:**

The Consultant shall not make an assignment of this Agreement's proceeds or claims arising under this Agreement without obtaining prior written permission from the Local Authority. In no event shall the Consultant assign the duties to be performed under this Agreement.

13. **Labor Standard Requirements:**

The Consultant shall pay the applicable classification wage rates according to the U. S. Department of Labor Prevailing Wages.

14. **Resident Hiring:** To the maximum extent possible, ONE ECONOMY CORPORATION agrees to actively recruit, hire and train residents of public housing for position vacancies or other employment opportunities within its organization.

15. **Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968:**

The work to be performed under this Agreement is subject to the Housing and Urban Development Act of 1968, as Section 3 requires the following:

A) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended,12 U.S.C. 1701u (Section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance of HUD assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing.

B) The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C) The Consultant agrees to send to each labor organization or representative of workers with which the Consultant has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or other worker's representative of the Consultant commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each and the name and location of the person(s) taking the applications for each of the position; and the anticipated date the work shall begin.

D) The Consultant agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in the Section 3 Clause, upon a finding that the Consultant will not subcontract with any subcontractor where the Consultant has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

E) The Consultant will certify that any vacant employment positions, including training positions, that are filled (1) after the Consultant is selected but before the Agreement is execute and (2) with persons other than those to whom the regulations of 24 CFR 135 require employment opportunities to be directed, were not filled to circumvent the Consultant's obligations under 24 CFR Part 135.

F) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted Agreements.

G) With respect to work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e), also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of Agreements and subcontracts shall be given to Indian organizations and Indians owned Economic Enterprises. Parties to this Agreement that are subject to the provision of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

16. **Employment Practices:**

In the performance of this agreement, the Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Consultant shall, in all respects in the performance of this agreement, comply with Executive Order 11246, as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR Part 60). The Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to race, religion, sex, color or national origin. Such action shall include, but not be limited to, employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination rates or pay or other forms of compensation and selection for training including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State Labor Department setting forth the provisions of this non-discrimination clause. The Consultant shall, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, religion, sex, color or national origin.

17. **Anti-Kickback:**

The Consultant shall comply with the Copeland "Anti-Kick-back Act" (18 USC 874) as supplemented in Department of Labor Regulations (29 CFR. Part 3). This act provides that

each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The Consultant shall report all suspected or reported violations to the Local Authority.

18. **Drug-Free Workplace:**

The Consultant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of the controlled substance is prohibited on Authority premises. The Consultant agrees that any violation of this prohibition by the Consultant, its employees, agents or assigns shall be deemed a material breach of contract.

19. **Work Hours and Safety Standards Act:**

This Agreement is subject to and incorporates, by reference herein, the provisions of the Contract Work Hours and Safety Standards Act, Sections 103 and 107, (40U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, part 5). The Consultant hereby declares that it is in compliance with said provisions.

20. **Administrative Remedy for Contract Interpretation:**

Should any question arise as to the meaning and intent of this Agreement, the matter shall, prior to any other action or legal remedy, be referred to the Contracting Officer who shall decide the true meaning and intent of the Agreement.

21. **Interest of Members of the Local Authority or Government Officials:**

The Provisions of the Local Authority's Annual Contributions Contract (ACC), Section 515, Interest of Members, Officers, or Employees of Local Authority, Members of Local Governing Body, or Other Public Officials, and Section 517, Interest of Member of or Delegate to Congress, are incorporated herein and by reference made a part of this document.

22. **Applicable Law and Venue:**

This Agreement shall be constructed and interpreted solely in accordance with Federal Code of Regulations 24 CFR 85.36, "Procurement" and the laws of the State of California. The venue for any dispute resolution, including legal action or any other method, shall be the City and County of San Francisco.

23. **Ordinances:**

The Consultant shall complete work on this Project to conform to all applicable Federal, State, and local laws, codes, ordinances, and regulations as modified by any waivers which

may be obtained from the appropriate jurisdictions.

24. **Retention and Inspection of Records:**

Access shall be given by the Consultant to the Local Authority, HUD or any of their duly authorized representatives to any books, documents, papers, and records of the Consultant which are directly pertinent to this Agreement for the purpose of making an audit, examination, excerpts and transcriptions. All records pertinent to this Agreement shall be retained for three (3) years after the Local Authority has made final payment and all other pending matters are closed.

25. **Entire Agreement:**

This Agreement constitutes the entire understanding between the Local Authority and the Consultant concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement the date and year first written above.

SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET
SAN FRANCISCO, CA 94102
Telephone Number: (415) 554-1296

By: _____
Signature

Title: Executive Director

_____
Date

ONE ECONOMY CORP.
1012 14TH Street NW, Suite 905
Washington, DC 20005
Telephone Number: (202) 393-0051

_____
Signature

Title: _____

_____
Date

_____
FEDERAL I. D. NUMBER (EIN)

APPROVED AS TO FORM AND LEGALITY BY:

_____
Title: SFHA Office of General Counsel

_____
Date

ATTACHMENT A
SFHA PUBLIC HOUSING PROPERTIES LISTING

SAN FRANCISCO HOUSING AUTHORITY DEVELOPMENTS (04/17/02)

DEV NO.	HUD CAL#	DEV. NAMES	LOCATION	BEDROOMS 0	1	2	3	4	5	6	TOTAL UNITS	YEAR DATE	REV.
1	1-1	Holly Courts	Appleton,highl'd,Patton,HollyPkC	0	48	60	10	0	0	0	118	1940	
2	1-2	Potrero Terrace	Wisconsin,23rd,Connecticut,26th	0	27	387	55	0	0	0	469	1941	
3	1-3	Sunnydale	Sunnydale btwnVelasco&Hahn	0	71	531	150	15	0	0	767	1941	
4	1-4	Valencia Garden	Valencia,15th,Guerrero	0	114	102	30	0	0	0	246	1942	
6	1-8	Westside Courts	Post,Broderick,Sutter,Baker	0	84	24	20	8	0	0	136	1943	
7	1-9	Westbrook Apts.	Innes,Southridge,Kiska,Dormitory	0	4	60	116	33	12	0	225	1956	
8	1-10	Potrero Annex	Missouri at 23rd Street	0	13	46	55	18	5	0	137	1955	1980
9	1-11	North Beach	Columbus,Bay,Mason,Francisco	0	61	99	60	9	0	0	229	1952	
10	1-15	Ping Yuen	Pacific@Powell,Grant&Stockton	0	46	92	75	21	0	0	234	1952	
11	1-16	Alemany	Alemany @ Ellsworth	0	13	96	48	0	0	0	157	1955	1990
12	1-17A	HuntersPt(A)UW	Griffith & Navy Road	0	0	20	6	4	0	0	30	1953	1978
12	1-17A	HuntersPt(A)LW	Oakdale,Griffith,Palou	0	13	58	16	6	9	1	103	1953	1983
12	1-17A	HuntersPt(A)E	Earl,Kiska,Dormitory&Evans	0	4	44	13	19	0	0	80	1953	1983
20	1-18(1)	J.F.K. Towers	Sacramento near Webster	76	21	1	0	0	0	0	98	1966	
15	1-18(3)	Hunters View	Middle Pt Rd @ Innes orEvans	0	4	75	112	68	8	0	267	1956	1982
16	1-18(4)	AliceGriffith	Griffith @ Gilman	0	8	128	24	78	16	0	254	1962	1980
17	1-18(5)	RosaParksSr.Apt	Webster ,Turk ,Buchanan,GoldenGt	19	100	77	0	2	0	0	198	1961	1985
18	1-18(6)	Ping YuenNorth	Brodway,Cordelia,Pacific	44	31	99	20	0	0	0	194	1961	
19	1-18(7)	Hayes Valley A	Velasco & Castillo	5	8	5	0	0	0	0	18	1962	
22	1-18(10)	Woodside Garde	Woodside Ave.opp.Hernandez	87	22	1	0	0	0	0	110	1968	
21	1-18(13)	Mission Dolores	15th St. near Guerrero	68	23	1	0	0	0	0	92	1966	
23	1-19(1)	990 Pacific	Pacific and Mason	74	18	0	0	0	0	0	92	1969	
43	1-19(2)	1750 McAllister	Baker and Broderick	75	21	1	0	0	0	0	97	1974	
27	1-20	3850 18th St.	Church and Sanchez	88	19	0	0	0	0	0	107	1971	
31	1-21	320/330Clement	TehamaClementina,4/5th Sts.	226	50	0	0	0	0	0	276	1971	
34	1-23	1880 Pine	Gough and Octavia	98	14	1	0	0	0	0	113	1973	
25	1-27	350 Ellis	Taylor and Jones	72	24	0	0	0	0	0	96	1970	
32	1-28	666 Ellis	Hyde and Larkin	77	23	0	0	0	0	0	100	1971	
41	1-29	345 Arguello	Clement and Cornwall	59	9	1	0	0	0	0	69	1973	
28	1-30A	462 Duboce	Herman and Duboce	34	8	0	0	0	0	0	42	1971	
29	1-30B	75-77 Coleridge	Coleridge	0	0	0	0	2	0	0	2	1971	
30	1-30C	101-3Lundy's	Ln Lundy's Lane	0	0	0	2	0	0	0	2	1971	
40	1-31	25 Sanchez	Sanchez and Duboce	75	14	1	0	0	0	0	90	1972	
33	1-32	1760 Bush	Gough and Octavia	83	24	1	0	0	0	0	108	1972	
26	1-33	275 Thrift	Thirft,Capital,Orizaba	0	0	0	1	0	0	0	1	1971	
35	1-34	4101 Noriega	48th Avenue and Noriega	0	0	3	3	2	0	0	8	1971	
37	1-34	363 Noe	Pond and Noe	19	3	0	0	0	0	0	22	1971	
36	1-34	200 Randolph	Randolph & Head	0	0	8	6	2	0	0	16	1971	
38	1-35	2206-68GrtHw	Great Hwy&RiveraSts.	0	0	6	10	0	0	0	16	1971	
39	1-35	2698 California	California and Scott	31	8	1	0	0	0	0	40	1971	
24	1-36	227 Bay	Powell and Stockton	48	2	0	0	0	0	0	50	1970	
42	1-37	491 31st Ave.	Greary and 31st Avenue	66	9	0	0	0	0	0	75	1973	
46	1-39A	939 Eddy St.	Gough and Franklin	36	0	0	0	0	0	0	36	1980	
49	1-41	430 Turk Street	Larkin and Hyde	72	16	1	0	0	0	0	89	1987	
50	1-42	San Jule Apts.	1353 - 1367 Eddy St.	0	0	0	8	0	0	0	8	1988	
51	1-43	Robert Pitts Apts	Turk, Divisadero,Eddy,Pierce	0	0	78	114	11	0	0	203	1991	
)TAL UNITS				**1,532**	**977**	**2,108**	**954**	**298**	**50**	**1**	**5,920**		
)MPLETED REVITALIZATION													
5	1-5	Bernal Dwellings	Harrison,Army,Folsom,26th St	0	3	85	72	0	0	0	160	2001	
14	1-18(2)	Y.B. Plaza East	Turk,Buchanan,Eddy,Laguna	0	104	124	36	12	0	0	276	2002	
19	1-18(7)	Hayes Valley B	Buchanan,Webster, Page, Height	0	16	69	18	7	0	0	110	1999	
19	1-18(7)	Hayes Valley C	Buchanan,Webster,Fell,Hayes	0	0	48	31	6	0	0	85	1998	
47	1-39B	951 Eddy Street	Gough and Franklin **(Rehab)**	0	0	24	0	0	0	0	24	1980/2002	
)TAL UNITS				**0**	**123**	**350**	**157**	**25**	**0**	**0**	**655**		
NDER REVITALIZATION													
9	1-11	North Beach (48S)	Francisco, Mason, Bay, Columbus	0	79	161	67	34	0	0	341	2004	
4	1-1,4	Valencia Gardens	Valencia, Guerrero, 15th	0	80	129	86	13	0	0	308	2005	
52	1-18(8?)	Rosa Parks Annex	Buchanan, Webster, Golden Gate	0	60	0	0	0	0	0	60	2005	
)TAL UNITS				**0**	**219**	**290**	**153**	**47**	**0**	**0**	**709**		

ATTACHMENT B
SCOPE OF SERVICES

Scope of Services for One Economy Corporation:

By August 31, 2002, One Economy will provide the following local San Francisco content and communication tools on the beehive to the San Francisco Housing Authority, organized by the beehive's primary content areas:

CONTENT FOR THE MONEY SECTION

Banking Resources
Identify at least five banks or community development credit unions that serve this area (community, regional and national) and offer Internet banking. Provide:

- Name, addresses of branches
- What's available online (is there a fee for online banking?)
- Any special products available for low-income families
- Whether they offer bilingual services online and/or offline

Financial Literacy Resources
Identify local nonprofit organizations (or banks or credit unions) that offer courses in financial literacy (particularly those that offer them in both English and Spanish). Provide:

- Name, location of organization
- List of courses available (with descriptions)
- Average cost of courses (if any, not if they're free)
- Languages courses are offered in

Individual Development Accounts/Matched Savings Programs
Identify any IDA programs operated by nonprofit organizations, churches, United Way, etc. Include:

- Name, address, contact person
- How the program operates, including who can apply, how many new participants they accept each year, how much they'll match and restrictions on how funds can be used.

CONTENT FOR THE HEALTH SECTION

Health Care Providers
Identify key health care providers for low-income people, including area clinics and hospitals. Include:

- Name, locations, hours
- Description of services offered
- Fee information (free services based on income? Sliding scale rates?)
- Languages services available in (if applicable)
- Contact information, website

Tools for Finding a Provider
Identify/provide links to and information on any online (or offline, such as a telephone hotline) search tools available to help people locate area doctors, particularly those who accept Medicare/Medicaid (including primary care doctors, dentists and other specialists). Include:

- Hours available (if a telephone hotline)

- Languages service is available in
- Web address/search tips/instructions

Identify any Medicare/Medicaid-specific search tools and provide same information as above (if the tool differs from a general provider search tool/service)

CONTENT FOR THE JOBS SECTION

Job Training and Search Resources
Identify key job training and search providers for low-income people (this is usually nonprofit organizations, United Way, etc., not just general job search services). Include:

- Name, location, contact information
- Services provided and how to engage those services (focus, if any, on a particular job type)
- Cost, if any (note if free)
- Languages that services are provided in

CONTENT FOR THE FAMILY SECTION

Family Activities
Identify fun and inexpensive family activities in the area. Include:

- Link to local calendar of events/community calendar
- Name of place/description of activity; location; hours and contact information

Child Care
Explain the existing system and resources/types of care available for low-income families. Include:

- How does a family qualify and apply for child care subsidies?
- How do you find open slots (for families using subsidies in particular)?
- Average cost of care (by type of care and child's age)?
- Types of care available? (home-based, center, after-school, etc.)
- Are there any provider home-based networks or nonprofit-run child care programs that are dedicated to serving low-income families? If so, highlight and provide name, location, contact information, ages accepted, types of care available, etc.)
- How can you find out if a center is accredited or a home-based provider is licensed?

Immigration Services
Provide information on where people can get help with immigration issues (both online and offline). Include information/resources on:

- Filing Procedures
- Green Card Renewal
- INS forms online

CONTENT FOR THE SCHOOL SECTION

Public School Information
Describe/link to resources on how you can find out what public school your child should attend based on your address (some school districts have this service available online, for others it will be a phone number). Include:

- Links to school websites, if any

School Choice Options
Identify resources for and information on local school choice options. Include:
- List of and contact information for various school choice options (such as magnet schools and charter schools)
- List of and contact information for resources for school choice assistance (such as local organizations or websites that deal with this issue)

Other School Resources
- Identify/describe/link to any local homework/tutoring help available online or offline (particularly geared toward low-income kids if it's offline)
- Identify/describe/give contact information for area special education programs and resources
- Identify/describe/give contact information for vocational school and adult learning opportunities

CONTENT FOR THE LOCAL GOVT. and COMMUNITY SERVICES SECTION

Transportation System
Describe what types of public transportation are available and connect to online (and offline) resources for finding schedules/routes, etc.

Contacting Elected Officials
Provide contact information for elected officials at the city, county and state level (including city council members, mayor, governor and congresspersons). Include:
- Name, address, phone number, email website
- Explanation of responsibilities/whom top contact for what

Reporting Community Problems/Crimes
Provide information on where/how to report (both online and offline) various community problems/concerns, including:
- Crimes
- Garbage pick-up
- Loud neighbors

Provide descriptions of and contact information for neighborhood associations

Local Government Services
When applicable, information on available local government services and how/where to apply (and eligibility requirements) should be included in the Beehive section that they are relevant to but, also provide a comprehensive listing in this section (can be cross-referenced as necessary). Such services should include:
- Temporary Assistance for Needy Families (TANF), the new name for welfare
- Children's Health Insurance Program (CHIP)
- Unemployment benefits
- Child care subsidies

CONTENT FOR OTHER SECTIONS AS NEEDED

Utilities
Provide information on how to sign up for, cancel and pay for utilities (both online and offline) including water and sewer, gas, electricity and phone

Housing
Identify any resources available to help people find affordable housing (online and offline). Include:

- Information on any available databases of open apartments
- Information on tenant rights
- Available homeownership or renter classes (including name of organization, contact information, languages classes are offered in, cost, etc.)

Legal Services
Identify affordable legal services available to help low-income people (such as the local Legal Aid clinic). Focus on:

- Immigration issues
- Landlord/tenant issues

Communication Tools for San Francisco Housing Authority

If desired by SFHA, a statement of sponsorship by SFHA on Beehive home page.

Links to SFHA-specific content on the home page.

A SFHA page hosted on Beehive, linked to from the home page, including:

- Content that SFHA is responsible for creating, such as House Rules, About Us, SFHA services available to SFHA residents. (This content could range from information about expectations for living in SFHA housing, to Q and A about questions commonly raised by SFHA residents, to services, such as "Who do I call to fix a clogged sink?"
- A newsletter. A template would be created that SFHA could fill whenever it wishes, using Web forms that are provided.
- A Calendar of Activities. This would be maintained by SFHA using Web forms that are provided.
- Message board, which would reside on the SFHA page.
- A jobs listing. A database would be created that SFHA could populate using a web form.

ATTACHMENT C
MEMORANDUM OF JUSTIFICATION

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

MEMORANDUM

To: File
Date: May 14, 2002
From: Barbara Smith, Administrator
Housing Development & Modernization
CC: Rene Latosa, Acting Deputy Administrator
BASS
Subject: "Sole Source" Memorandum of Understanding and subsequent Agreement between the San Francisco Housing Authority and One Economy Corporation.

This memorandum is the justification to provide by "sole source" the above referenced MOU and Agreement under which One Economy Corporation will provide UNIQUE services to SFHA residents in the form of customized San Francisco-based comprehensive online tools for self sufficiency in an amount not to exceed $40,000.00.

One Economy Corporation offers unique web-site building services for public housing residents and the proposed program has three key components that will greatly benefit **SFHA RESIDENTS:**

1. Construction of a web-site, www.theBeehive.org, to provide low-income individuals with a suite of Web-based products and services focusing on financial services, education, jobs, health care, and homeownership that help them build assets and raise their standard of living; and,

2. Creation of initiatives and partnerships that enable and encourage low income individuals to acquire access in their home and to use the Beehive; and

3. Building digital communities in select geographic communities to increase the aptitude and comfort of participating individuals with the Internet culture and demonstrate new applications for the Beehive to increase local usage.

Consideration #1

- **One Economy is the only non-profit in the United States that offers these services**. For the last five years, they have been offering continuous services to housing authorities in the East Coast and SFHA is the first privileged housing authority to be offered the opportunity to benefit from this great idea. SFHA has been selected as one of five housing authorities to develop a **customized web-site** pilot program **for SFHA RESIDENTS.** One Economy Corporation, (www.one-economy.com) is a national non-profit dedicated to using technology as a tool to help low income people developing policies that spur the inclusion of high speed Internet connectivity and PC access into affordable rental housing.

Consideration #2

- Housing Research Foundation (HRF) listing of HUD Consultants – www.housingresearch.org – consultants were evaluated based on their resources and offering similar services. **None of them provide the same high-tech digital divide expertise in the Economic Development area** (see enclosure).

Consideration #3

- **Market Survey of firms offering similar services**. We reviewed web site design companies and the costs range as follows:

1)	EnterCOMM	Rob Faulkner	415.440.8100	$100,000
2)	Lucille, inc.	Barbara Brust	510.548.5753	$60,000
3)	**One Economy, Inc.**	**Ben Hecht**	**202.393.4660**	**$40,000**

Consideration #4

- One Economy has an **in-depth knowledge of the HOPE VI Program having worked with Portland Housing Authority, Baltimore Housing Authority and Chicago Housing Authority HOPE VI Programs** and their revitalization process, as part of their pilot program.

Consideration #5

- Firm was recommended as a **UNIQUE program** to be developed with only 5 other housing authorities around the country by **Mr. Ron Ashford, Director Community and Supportive Services**, Washington, D.C.

Consideration #6

- Selecting the firm will result is a **time and potential cost savings**, and its outcome can be presented as early as **July 31-August3, 2002** at the HUD-sponsored HOPE VI Youth Conference to be held at U.C. Berkeley this Summer.

Consideration #7

- Firm offers the best opportunity to provide PROVEN results and work experience that shows successful completion of tasks for a unique low cost. **This is a unique opportunity to acquire technical assistance to allow Hayes Valley to become the first wireless LAN (Local Area Network) Pilot from Cisco Fellows on a pro-bono basis, due to the partnership with One Economy and other technology corporations providing donations, in-kind services and technical assistance**.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAN FRANCISCO HOUSING AUTHORITY
AND ONE ECONOMY CORPORATION

This Memorandum of Understanding ("MOU" or "Agreement") is entered into this _____ day of May, 2002, by and between the Housing Authority of the City and County of San Francisco, a public body corporate and politic, and its successors and assigns (the "Authority") and One Economy Corporation, a 501(c)3 non-profit corporation, and its successors and assigns ("One Economy"), on the basis of the following purposes, intentions and facts:

A. The Authority is a public housing authority formed pursuant to California Health and Safety Code 3280 et seq. and governed by certain regulations promulgated by the United States Department of Housing and Urban Development ("HUD"). The Authority's governing board is appointed by the Mayor of the City and County of San Francisco (the "City").

B. The Authority is the owner of certain public housing developments which consist of Six Thousand Six Hundred and Fifteen (6,615) apartment units, and provides Section 8 subsidy to an average of Six Thousand Two Hundred and Eighteen (6,218) apartment units, located in the City and County of San Francisco, California, as more particularly described in the attached Exhibit A (the "Properties") as public housing developments.

C. The Authority desires to improve the Properties with digital access, content, and training programs designed to improve the standard of living for residents of Authority housing, eventually improving the living conditions for the residents living at the Properties and the surrounding area.

D. One Economy is a corporation whose main mission is to maximize the potential of technology to help low income people raise their standard of living and build assets.

E. The purpose of this Memorandum of Understanding (MOU) is to define the roles of the Authority and One Economy for digital access, content, and training programs designed to improve the standard of living for residents of Authority housing.

F. The Authority and One Economy agree to cooperatively pursue programs that provide residents of Authority housing with computers and Internet access, comprehensive online and community-based asset building tools, and training.

G. The parties will pursue some or all of the following based on resources available or identified:

- Market a menu of computers and Internet access to Authority residents.
- Develop a plan for the treatment of both, the existing Authority units, and future units acquired, built, revitalized or subsidized (Section 8) by the Authority.
- Using One Economy's Cisco Fellows, develop a technology plan that creates Local Area Network (LAN) Internet access broadband to connect all existing Authority units.

- Provide information and tools that maximize the use of the www.thebeehive.org. as a resident self sufficiency tool by connecting them to local resources and information for customized services in the areas of money, health, school, jobs and family.
- Develop and implement a plan to digitize the Authority property management and residential services.
- Develop and implement a plan for training Authority Residents in the use of technology and the Beehive.
- Develop and implement the potential for an Authority Youth Technology Corps for providing technology training and support for Authority residents.

H. The Roles and Responsibilities of the Authority are to:

- Conduct a sample survey of resident interest and capacity in computer and Internet use, if necessary.
- Inform residents of opportunities to purchase computers through typical Authority outreach, such as newsletters, e-mail, door to door, phone banking, etc.
- Work with One Economy to establish Internet access designs and workplans for connecting the Authority HOPE VI projects to the Internet.
- Work with One Economy to develop and implement a plan for providing opportunities for all residents in *existing* Authority housing to get Internet access and computers in their units through either tenant or Authority purchase or lease programs.
- Work with One Economy to develop and implement a plan for ensuring that all *future* units acquired or built by the Authority have appropriate broadband capacity and wiring for connecting residents of these units to the Internet and a strategy for providing computers for each household.
- Set the Beehive as the home page for Authority housing units. Use space set aside on the Beehive for Authority programs to push priorities to its residents such as training(s), employment opportunity, community calendars, rent collection, and connection to the Authority home page.
- Work with One Economy to develop technical support and training plans. The activities above will be provided only when appropriate training and technical support has been identified. The activities will be conducted only to the extent that resources are available.

I. The roles and responsibilities of One Economy are to:

- Provide a menu of ways for residents to purchase a computer, including the creation of affordable financing options, and ensure fulfillment of these computer purchases.
- To the maximum extent possible, One Economy will deploy its technology team (including Cisco Fellows) to work with the Authority to evaluate, design, and implement technology solutions that are appropriate for existing and future Authority properties.
- Provide the Beehive for residents of Authority housing and assist the Authority in taking full advantage of the Beehive to meet the Authority's organizational and programmatic goals. One Economy will set aside a place on the Beehive for Authority content and assist the Authority to provide its own content. One Economy will provide the Authority with training curricula and collateral materials to help residents to use the Beehive. One Economy will make free email accounts and email services available to all Authority residents, employees, contractors and other parties identified by the Authority. One Economy will provide toll free support for the Beehive to all Authority residents.

- Work with the Authority to develop technical support and training plans for residents of Authority housing.

J. The Terms of the Agreement are:

- As resources are available, additional agreements and contracts for services, on a fee-for-service basis, between the parties may be developed as appropriate for specific tasks set out in the roles and responsibilities section above or as mutually agreed upon by the parties.
- The term of this agreement is for three years and can be extended upon the mutual agreement of the parties at the end of this term.
- Either party may terminate this agreement upon ninety days written notice, without further obligation.
- The parties to this MOU agree to try their best effort, jointly or individually, to raise funds to try to complete as many activities laid out in this MOU as possible.

K. This agreement does not create a legal partnership between the parties. No party has the authority to bind the others to any Agreement, contract or understanding with any third party or to act in any way as the representative or agent of the other, except as may be expressly set forth herein.

L. Each party agrees to save, protect, hold harmless and indemnify the other parties and their respective directors, officers, employees, agents and all subsidiaries from and against any and all costs whatsoever, including but not limited to reasonable attorney's fees, resulting from claims by third parties based on a party's negligent conduct in the performance of this Agreement. The terms and conditions of this paragraph shall survive termination or expiration of this Agreement.

AS OF THE DATE FIRST WRITTEN ABOVE, the Parties evidence their agreement to the terms of this Agreement by signing below:

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic,

By: _____

Its: _____

Approved as to Form and Legality: _____

Its: _____

One Economy Corporation, a 503©3 non-profit corporation,

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A

[PUBLIC HOUSING PROPERTIES DESCRIPTION)

SAN FRANCISCO HOUSING AUTHORITY DEVELOPMENTS (04/17/02)

DEV NO.	HUD CAL#	DEV. NAMES	LOCATION	BEDROOMS 0	1	2	3	4	5	6	TOTAL UNITS	YEAR DATE	REV.
1	1-1	Holly Courts	Appleton,highl'd,Patton,HollyPkC	0	48	60	10	0	0	0	118	1940	
2	1-2	Potrero Terrace	Wisconsin,23rd,Connecticut,26th	0	27	387	55	0	0	0	469	1941	
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6	1-8	Westside Courts	Post,Broderick,Sutter,Baker	0	84	24	20	8	0	0	136	1943	
7	1-9	Westbrook Apts.	Innes,Southridge,Kiska,Dormitory	0	4	60	116	33	12	0	225	1956	
8	1-10	Potrero Annex	Missouri at 23rd Street	0	13	46	55	18	5	0	137	1955	1980
9	1-11	North Beach	Columbus,Bay,Mason,Francisco	0	61	99	60	9	0	0	229	1952	
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11	1-16	Alemany	Alemany @ Ellsworth	0	13	96	48	0	0	0	157	1955	1990
12	1-17A	HuntersPt(A)UW	Griffith & Navy Road	0	0	20	6	4	0	0	30	1953	1978
12	1-17A	HuntersPt(A)LW	Oakdale,Griffith,Palou	0	13	58	16	6	9	1	103	1953	1983
12	1-17A	HuntersPt(A)E	Earl,Kiska,Dormitory&Evans	0	4	44	13	19	0	0	80	1953	1983
20	1-18(1)	J.F.K. Towers	Sacramento near Webster	76	21	1	0	0	0	0	98	1966	
15	1-18(3)	Hunters View	Middle Pt Rd @ Innes orEvans	0	4	75	112	68	8	0	267	1956	1982
16	1-18(4)	AliceGriffith	Griffith @ Gilman	0	8	128	24	78	16	0	254	1962	1980
17	1-18(5)	RosaParksSr.Apt	Webster ,Turk ,Buchanan,GoldenGt	19	100	77	0	2	0	0	198	1961	1985
18	1-18(6)	Ping YuenNorth	Brodway,Cordelia,Pacific	44	31	99	20	0	0	0	194	1961	
19	1-18(7)	Hayes Valley A	Velasco & Castillo	5	8	5	0	0	0	0	18	1962	
22	1-18(10)	Woodside Garde	Woodside Ave.opp.Hernandez	87	22	1	0	0	0	0	110	1968	
21	1-18(13)	Mission Dolores	15th St. near Guerrero	68	23	1	0	0	0	0	92	1966	
23	1-19(1)	990 Pacific	Pacific and Mason	74	18	0	0	0	0	0	92	1969	
43	1-19(2)	1750 McAllister	Baker and Broderick	75	21	1	0	0	0	0	97	1974	
27	1-20	3850 18th St.	Church and Sanchez	88	19	0	0	0	0	0	107	1971	
31	1-21	320/330Clement	TehamaClementina,4/5th Sts.	226	50	0	0	0	0	0	276	1971	
34	1-23	1880 Pine	Gough and Octavia	98	14	1	0	0	0	0	113	1973	
25	1-27	350 Ellis	Taylor and Jones	72	24	0	0	0	0	0	96	1970	
32	1-28	666 Ellis	Hyde and Larkin	77	23	0	0	0	0	0	100	1971	
41	1-29	345 Arguello	Clement and Cornwall	59	9	1	0	0	0	0	69	1973	
28	1-30A	462 Duboce	Herman and Duboce	34	8	0	0	0	0	0	42	1971	
29	1-30B	75-77 Coleridge	Coleridge	0	0	0	0	2	0	0	2	1971	
30	1-30C	101-3Lundy's	Ln Lundy's Lane	0	0	0	2	0	0	0	2	1971	
40	1-31	25 Sanchez	Sanchez and Duboce	75	14	1	0	0	0	0	90	1972	
33	1-32	1760 Bush	Gough and Octavia	83	24	1	0	0	0	0	108	1972	
26	1-33	275 Thrift	Thirft,Capital,Orizaba	0	0	0	1	0	0	0	1	1971	
35	1-34	4101 Noriega	48th Avenue and Noriega	0	0	3	3	2	0	0	8	1971	
37	1-34	363 Noe	Pond and Noe	19	3	0	0	0	0	0	22	1971	
36	1-34	200 Randolph	Randolph & Head	0	0	8	6	2	0	0	16	1971	
38	1-35	2206-68GrtHw	Great Hwy&RiveraSts.	0	0	6	10	0	0	0	16	1971	
39	1-35	2698 California	California and Scott	31	8	1	0	0	0	0	40	1971	
24	1-36	227 Bay	Powell and Stockton	48	2	0	0	0	0	0	50	1970	
42	1-37	491 31st Ave.	Greary and 31st Avenue	66	9	0	0	0	0	0	75	1973	
46	1-39A	939 Eddy St.	Gough and Franklin	36	0	0	0	0	0	0	36	1980	
49	1-41	430 Turk Street	Larkin and Hyde	72	16	1	0	0	0	0	89	1987	
50	1-42	San Jule Apts.	1353 - 1367 Eddy St.	0	0	0	8	0	0	0	8	1988	
51	1-43	Robert Pitts Apts	Turk, Divisadero,Eddy,Pierce	0	0	78	114	11	0	0	203	1991	
OTAL UNITS				**1,532**	**977**	**2,108**	**954**	**298**	**50**	**1**	**5,920**		
OMPLETED REVITALIZATION													
5	1-5	Bernal Dwellings	Harrison,Army,Folsom,26th St	0	3	85	72	0	0	0	160	2001	
14	1-18(2)	Y.B. Plaza East	Turk,Buchanan,Eddy,Laguna	0	104	124	36	12	0	0	276	2002	
19	1-18(7)	Hayes Valley B	Buchanan,Webster, Page, Height	0	16	69	18	7	0	0	110	1999	
19	1-18(7)	Hayes Valley C	Buchanan,Webster,Fell,Hayes	0	0	48	31	6	0	0	85	1998	
47	1-39B	951 Eddy Street	Gough and Franklin **(Rehab)**	0	0	24	0	0	0	0	24	1980/2002	
OTAL UNITS				**0**	**123**	**350**	**157**	**25**	**0**	**0**	**655**		
NDER REVITALIZATION													
9	1-11	North Beach (48S)	Francisco, Mason, Bay, Columbus	0	79	161	67	34	0	0	341	2004	
4	1-1-4	Valencia Gardens	Valencia, Guerrero, 15th	0	80	129	86	13	0	0	308	2005	
52	1-18(8?)	Rosa Parks Annex	Buchanan, Webster, Golden Gate	0	60	0	0	0	0	0	60	2005	
OTAL UNITS				**0**	**219**	**290**	**153**	**47**	**0**	**0**	**709**		

RESOLUTION NO. ____-_____
DATE ADOPTED. _____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AND SUBSEQUENT AGREEMENT WITH ONE ECONOMY CORPORATION TO PROVIDE RESIDENTS OF SFHA WITH COMPREHENSIVE ONLINE TOOLS FOR SELF-SUFFICIENCY IN AN AMOUNT NOT TO EXCEED $40,000.00.

WHEREAS, the Authority is a public housing authority formed pursuant to California Health and Safety Code 3280 et seq. and governed by certain regulations promulgated by the United States Department of Housing and Urban Development ("HUD"). The Authority's governing board is appointed by the Mayor of the City and County of San Francisco (the "City"); and,

WHEREAS, the Authority is the owner of certain public housing developments which consist of Six Thousand Six Hundred and Fifteen (6,615) apartment units, and provides Section 8 subsidy to approximately Six Thousand Two Hundred and Eighteen (6,218) apartment units, located in the City and County of San Francisco, California (the "Properties"); and,

WHEREAS, the Authority desires to improve the Properties with digital access, content, and training programs designed to improve the standard of living for residents of Authority housing, eventually improving the living conditions for the residents living at the Properties and the surrounding area; and,

WHEREAS, One Economy Corporation is a corporation whose main mission is to maximize the potential of technology to help low income people raise their standard of living and build assets; and,

WHEREAS, the purpose of the Memorandum of Understanding (MOU) is to define the roles of the Authority and One Economy Corporation for digital access, content, and training programs designed to improve the standard of living for residents of Authority housing.

WHEREAS, the Authority and One Economy Corporation agree to cooperatively pursue programs that provide residents of Authority housing with computers and Internet access, comprehensive online and community-based asset building tools, and training.

WHEREAS, the parties will pursue some or all of the following based on resources available or identified:

- Market a menu of computers and Internet access to Authority residents.
- Develop a plan for the treatment of both the existing Authority units and future units acquired, built, revitalized or subsidized (Section 8) by the Authority.
- Using One Economy's Cisco Fellows, develop a technology plan that creates Local Area Network (LAN) Internet access broadband to connect all existing Authority units.
- Provide information and tools that maximize the use of the www.thebeehive.org. as a resident self-sufficiency tool by connecting them to local resources and information for customized services in the areas of money, health, school, jobs and family.
- Develop and implement a plan to digitizeAuthority property management and residential services.
- Develop and implement a plan for training Authority residents in the use of technology and the Beehive.

- Develop and implement the potential for an Authority Youth Technology Corps for providing technology training and support for Authority residents.

WHEREAS, the Roles and Responsibilities of the Authority and One Economy Corporation are identified in both the MOU and the proposed agreement; and,

WHEREAS, the Terms of the MOU are:

- As resources are available, additional agreements and contracts for services, on a fee-for-service basis, between the parties may be developed as appropriate for specific tasks set out in the roles and responsibilities section in the Memorandum of Understanding or as mutually agreed upon by the parties.
- The term of this Memorandum of Understanding is for two (2) years and can be extended upon the mutual agreement of the parties at the end of this term.
- Either party may terminate this Memorandum of Understanding and/ or the Agreement upon ninety days written notice, without further obligation.
- The parties to this MOU agree to try their best effort, jointly or individually, to raise funds to try to complete as many activities laid out in this MOU as possible.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a Memorandum of Understanding and subsequent agreement with One Economy Corporation to provide residents of Authority housing with comprehensive online tools for self-sufficiency in an amount not to exceed $40,000.00.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY: REVIEWED BY:

Phillip Matzo for CEW
CARL WILLIAMS, General Counsel

GREGG FORTNER, Executive Director

Date 5-31-02

Date 6/3/02

SAN FRANCISCO HOUSING AUTHORITY

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JUN 13 2002

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DATE: MAY 31, 2002

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
Shirley Byrd, Commissioner
Rev. Edgar E. Boyd, Commissioner
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner

FROM: GREGG FORTNER, SECRETARY/EXECUTIVE DIRECTOR

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-1 TO CONTRACT NO. 10013, CONCRETE DECK REPAIRS AND METAL RAILING REPLACEMENT, AT CAL 1-2, POTRERO TERRACE, WITH BEST ROOFING AND WATERPROOFING FOR ADDITIONAL CONSTRUCTION SERVICES FOR AN AMOUNT NOT-TO-EXCEED $112,327.00

OVERVIEW

This resolution authorizes the Executive Director to execute a Change Order to Contract No. 10013 with Best Roofing and Waterproofing to compensate the Contractor for providing additional construction services to expeditiously eliminate life-safety hazards to the residents at CAL 1-2, Potrero Terrace for an amount not-to-exceed $112,327.00. This Change Order will result in an increase 8.03 percent to the original contract amount of $1,398,749, which is still $545,000 less than the bid from the second lowest responsive and responsible bidder at $1,944,218. HUD has approved this Change Order.

Concurrent with this construction project to repair concrete decks and install new railings, there were 3 other projects under construction at Potrero Terrace, which included new roofing at all 39 buildings, new boilers and new underground sewer and waterlines. The total cost of the 4 projects is $4.8MM. Change orders for all 4 projects total $126,356 or 2.6% of the total cost.

The Authority entered into a construction contract with Best Roofing & Waterproofing, Inc.to (1) repair the severely deteriorated cantilevered concrete decks at all 39 buildings which were a life-safety hazard to the residents from falling concrete, (2) to install new waterproofing coating on the decks and (3) to furnish and install new metal railings around all decks in place of the existing deteriorated and detached railings, a life-safety hazard.

During construction changes to the scope of work occurred for three reasons, two of which added cost and one that added contract time. Had the Contractor not provided these services, he could not have completed his base contract work and expeditiously eliminated the life-safety hazardous that existed.

1. Added Cost due to Concealed Conditions: Concealed conditions were encountered by the Contractor while performing contract work, which required him to perform additional work. The requested amount of $62,994 was negotiated down from $88,578 for savings of $25,584. The major costs are (1) $24,670 to fill concealed cracks and spalls discovered below the existing deck coating when is was removed and (2) $29,671 for replacement of 60'of unsound structural concrete deck, a life-safety hazard, discovered when the edge of the existing deck had 6" sawed off to receive the new railing. The specific conditions, which gave rise to this additional work, are explained more fully below under "Objectives".

2. Added Cost due to Errors and Omissions in Plans and Specifications: After the start of construction, the Contractor and Housing Authority staff discovered errors and omissions for work that should have been in the original construction documents prepared by the Architect. Work had to be added to the contract scope of construction services. The compensation for the additional work of $49,333 was negotiated down from $71,424 for a saving of $22,091. The major costs are (1)$33,764 for encapsulating asbestos found in the existing wall coating and (2) $55,626 for reinforcing steel corrosion protection. These costs were partially offset by value engineered savings of $43,904. The specific conditions, which gave rise to this additional work, are explained more fully below under "Objectives".

   The Authority incurred administrative costs of $2,500 in dealing with the errors and omissions and incurred charges of $3,500 paid the construction cost consultant for independent cost estimates and assistance in negotiating the contractor's change order quotations. The costs will be recouped by back–charging the Architect, McGinnis Chen Associates, a total of $6,000. The Architect is not liable for the total cost of performing errors and omissions work because the Authority received added value by the additional work performed.

The Housing Authority received added value as result of the work performed in an amount equal to the proposed Change Order. Had the concealed conditions and drawing errors and omissions been known at the time of the bid, the low bid would have been that much higher to compensate for the cost of doing this additional work. This proposed Change Order will pay for additional work performed by the Contractor, which work was monitored and attested to by the Housing

Authority's Inspector. Had this additional work not been performed, the Contractor could not have completed the original contract work in a satisfactory and acceptable manner.

All of the extra work has been completed by the Contractor, except for replacement of sixty feet of failed concrete deck, which is in progress. Authority staff cautioned the Contractor, both verbally and in writing, that additional work was not authorized and there was no guarantee a Change Order would be approved. However, the Contractor took it upon himself to proceed with the work, as the risk to the Contractor from delay costs was greater than the risk of proceeding without an approved change order. The only way the Authority could prevent the Contractor from proceeding with the additional work would be to terminate the contract or bar the Contractor from the job site. Had the Authority bared the Contractor the Authority would have been liable to the Contractor for costs incurred due to delay and disruption and costs to demobilize and remobilize his work force. In addition, the Contractor has stated he wants to finish the job, get off the site and get on with other work.

3. No Cost Contract Time Extension: The specified waterproofing finish deck coating failed to adhere properly to the prime coat resulting in delamitation. The exact cause of the failure has not been determined though there has been extensive investigations by the product manufacturer and the Architect, but it is believed there was an error by the manufacturer in formulating the product. The offending product has been removed and a substitute product installed at no cost to the Housing Authority. The new product is performing satisfactorily. The cost of removing the failed deck coating and installing the new product is not being paid by the Housing Authority and will probably result in a law suit by the Contractor against Silikal, the manufacturer. This situation, which is believed to have been beyond the control of the Contractor since the manufacturer's representative oversaw the product installation, results in a contract time extension only.

OBJECTIVES

The objectives of the Resolution is to authorize the Executive Director to execute Change Order G-1 to the contract with Best Roofing & Waterproofing for construction of the scope of work changes listed below:

CONCEALED CONDITIONS

A. Concealed Cracks and Spalls: The existing concrete decks were covered with an elastomeric coating that is not compatible with the specified Methyl Methacrylate coating. During removal of the existing elastomeric coating the large number of hidden and unforeseen spalls and cracks became visible. Although provisions were made in the bid documents for these conditions, the actual number of spalls and cracks was far greater than anticipated, which could not be anticipated since they were concealed.

The contractor's price is based on the unit pricing listed in the bid form. The Contractor's unit price @ $5.00 for each of the five items, is fair and reasonable as demonstrated by the unit prices submitted by the other responsible and responsive bidder, which averaged $18.40. The contractor's price of $32,232 was negotiated down for a saving of $7,562.

Add $24,670.00

B. Metal Railing Connecting Plates: Enlarge size of metal railing connection plates where joined to the concrete slabs from 8" to 9" long, due to revised structural design detail resulting from the concealed deteriorated conditions of the concrete decks. The Housing Authority's estimator's price was accepted at $3.00 more than the Contractor's.

Add $1,927.00

C. Metal Railing Corner Plates: Enlarge size of metal railing corner plates where joined to the concrete slabs from 8" to 12" long, due to revised structural design detail resulting from the concealed deteriorated conditions of the concrete decks. The Contractor's price of $3,346 was negotiated down for a saving of $1,816.

Add $1,530.00

D. Additional Equipment Rental Costs: Performing the additional work required the Contractor keep rental equipment on site longer than planned. The Contractor's price of $5,880 was negotiated down for a saving of $684.

Add $5,196.00

E. Deteriorated Concrete Deck: Replace about 60' of the concrete deck of Building G-6. When this deck was exposed from its elastomeric coating and the deck edge was saw cut, it was discovered that the concrete had deteriorated beyond repair and was a life-safety hazard. This Contractor's price of $45,196.48 was negotiated for a saving of $15,525.

Add $29,671.00

The following is a chart that summarizes the Contractor's requests, the proposed Change Order amounts and the negotiated savings:

Cost Summary, Concealed Conditions

Contractor's Request	This C.O.	Negotiated Savings
$88,578.48	$62,994.00	$25,584.48 (29% savings)

ERRORS AND OMISSIONS IN PLANS AND SPECIFICATIONS:

F. Encapsulating Asbestos: After the start of construction traces of asbestos were discovered in the existing wall finish. The asbestos was encapsulated by covering it with cement board in lieu of grinding the base of the wall for direct application of the deck coating material. The Contractor's price of $38,042.45 was negotiated down for a saving of $4,278.45.

Add $33,764.00

G. Reinforcing Steel Corrosion Protection: Add a steel fascia to cover the concrete deck edge and the exposed reinforcing steel bars to protect the reinforcing steel from future corrosion. The Contractor's price of $60,024.24 was negotiated down for a saving of $4,398.24.

Add $55,626.00

H. Patch and Repair Concrete Walls: Patching and repairs are required at the prior locations of the original railing end brackets. The Contractor's price of $4,168 was negotiated down for a saving of $321.

Add $3,847.00

I. Value Engineering Savings, Deck Coating Fabric: A reinforcing fabric was specified in the bid documents but was eliminated after discussion with the manufacturer's representative. This price was negotiated up from the original contractor's quote of $12,810 for an additional saving of $3,081.

Deduct ($15,891.00)

J. Value Engineering Savings, Galvanized Steel Guardrail: Eliminate the galvanized coating of guardrails. The specified paint is high quality and more than adequate to protect the steel guardrail against corrosion. The specified galvanization is redundant. This price was negotiated up from the original contractor's quote of $18,000 for an additional saving of $10,013.

Deduct ($28,013.00)

Cost Summary, Errors and Omission in Plans and Specifications

Contractor's Request	This C.O.	Negotiated Savings
$71,424.69	$49,333.00	$22,091.69 (31% savings)

NO COST CONTRACT TIME EXTENSION

Extend the Contract Time by 375 calendar days, from June 20, 2001 to June 30, 2002 as a result of the waterproof deck coating product failure and no known fault by the Contractor.

PRESENT SITUATION

Potrero terrace is a San Francisco Housing Authority development comprised of 38 three level residential buildings and one administration building, built in 1941. All buildings have a concrete balcony/deck the length of the building, cantilevering 3'-6" from the rear (down slope) face of the building. Before the existing guardrails were replaced with new under this contract, the guardrail posts had resulted in cracking and spalling of the concrete decks. The cracks, spalls, and distress to the balconies posed a significant life safety hazard. As these decks are located

above unit entry doors it was imperative that the concrete be restored and horizontal surfaces waterproofed in order to prevent further damage.

The work for the above items, except for item E, is work already performed. It is work that resulted either from concealed and unforeseen conditions or from omissions in the Contract Documents. The Contractor took it upon himself to proceed with the work, as the risk to the Contractor from delay costs was greater than the risk of proceeding with required work without an approved change order.

The work for item E to replace the concrete deck of Building G-6 is in progress and it is the result of a completely unforeseen and concealed condition. A large portion of this concrete deck is deteriorated beyond repair, it is not structurally sound, and the replacement of it is therefore a life safety issue.

ANTICIPATED OUTCOMES

Completion of the installation of the Concrete Deck Repairs and Metal Railing Replacement will eliminate the life safety hazard the residents of Potrero Terrace are exposed to now, will prevent further damage to the concrete deck and railing, and will reduce maintenance to a minimum. The Contractor will provide a five-year guarantee for waterproofing work and a two-year guarantee for all other work.

WHO BENEFITS

The residents of Potrero Terrace will benefit, because now they will not be exposed to the life safety hazard of falling concrete and unstable guardrails. The Authority will benefit because it will be able to realize savings for less maintenance costs, and it will eliminate liability exposure by eliminating the life threatening hazards. The project also provides employment for public housing residents under the resident hiring requirements.

BUDGET CONSIDERATIONS

The Authority's Capital Fund Program (CFP) will fund the additional Concrete Deck Repairs and Metal Railing Replacement work.

RESIDENT EMPLOYMENT

Best Roofing and Waterproofing is committed to providing, at a minimum, 25% resident hiring on this job. To date Best Roofing and Waterproofing has achieved 29.2% resident hiring.

MBE/WBE STATUS

This Contractor is not an MBE/WBE Contractor, but has subcontracted to one MBE/WBE subcontractor for more than 50% of the work.

RECOMMENDATION

Best Roofing and Waterproofing has submitted a reasonable Change Order amount and funding is available through the Authority's Capital Fund Program (CFP). Staff recommends adoption of the Resolution.

(Prepared by Basil Nicolaou, and Bob Dahlstrom)

BEST ROOFING & WATERPROOFING, INC.
29300 PACIFIC AVENUE
HAYWARD, CA 94554

DATE: MAY 23, 2002
CONTRACT NO. 10013
FUND: CGP 709
PROJECT: CAL 1-2, POTRERO TERRACE
CONTRACT NAME:
CONCRETE DECK
REPAIR AND METAL RAILING
REPLACEMENT

CHANGE ORDER NO. G-1

In connection with Contract dated, **FEBRUARY 20, 2001,** for the construction of **CONCRETE DECK REPAIRS AND METAL RAILING REPLACEMENT** at **CAL 1-2, POTRERO TERRACE.** in San Francisco, California, the following change is ordered in accordance with Paragraph 29 of the **GENERAL CONDITIONS** to provide labor, materials and equipment to:

A. INCREASE THE ALLOWANCE LINE ITEMS FOR UNIT PRICE WORK, AS A RESULT OF CONCEALED CONDITIONS.
B. ENLARGE PLATE SIZE OF METAL RAILING AS PER ATTACHED DETAIL G-1/E.
C. ENLARGE CORNER PLATE OF METAL RAILING AS PER ATTACHED DETAIL G-1/F.
D. ADD FOR EQUIPMENT COST, AS A RESULT OF THE EXTENDED CONTRACT TIME.
E. REPLACE ABOUT 60 FEET OF THE CONCRETE DECK OF BUILDING G-6.
F. USE CEMENT BOARD FOR WALL BASE AS PER ATTACHED DETAIL G-1/B.
G. USE STEEL FASCIA TO COVER THE DECK EDGE AS PER ATTACHED DETAIL G-1/C.
H. PATCH UP AND REPAIR WALLS AT LOCATIONS OF OLD RAILING END BRACKETS.
I. DELETE FABRIC IN RESINOUS COATING.
J. CHANGE GALVANIZED GUARDRAIL TO NON-GALVANIZED GUARDRAIL.
K. EXTEND CONTRACT TIME BY 375 CALENDAR DAYS. THE REASON FOR THIS DELAY IS THAT THE SILIKAL PRODUCT FAILED, RESULTING IN A PROLONGED PERIOD OF TESTING AND NEGOTIATIONS.

Subject to conditions hereinafter set forth, an equitable adjustment of the contract price and the contract time is established as follows:

ITEM A. THE CONTRACT PRICE IS INCREASED BY TWENTY FOUR THOUSAND SIX HUNDRED SEVENTY DOLLARS AND NO CENTS ($24,670.00).

ITEM B. THE CONTRACT PRICE IS INCREASED BY ONE THOUSAND NINE HUNDRED TWENTY SEVEN DOLLARS AND NO CENTS ($1,927.00).

ITEM C. THE CONTRACT PRICE IS INCREASED BY ONE THOUSAND FIVE HUNDRED THIRTY DOLLARS AND NO CENTS ($1,530.00).

ITEM D. THE CONTRACT PRICE IS INCREASED BY FIVE THOUSAND ONE HUNDRED NINETY SIX DOLLARS AND NO CENTS ($5,196.00).

ITEM E. THE CONTRACT PRICE IS INCREASED BY TWENTY NINE THOUSAND SIX HUNDRED SEVENTY ONE DOLLARS AND NO CENTS ($29,671.00).

ITEM F. THE CONTRACT PRICE IS INCREASED BY THIRTY THREE THOUSAND SEVEN HUNDRED SIXTY FOUR DOLLARS AND NO CENTS ($33,764.00).

ITEM G. THE CONTRACT PRICE IS INCREASED BY FIFTY FIVE THOUSAND SIX HUNDRED TWENTY SIX DOLLARS AND NO CENTS ($55,626.00).

ITEM H. THE CONTRACT PRICE IS INCREASED BY THREE THOUSAND EIGHT HUNDRED FORTY SEVEN DOLLARS AND NO CENTS ($3,847.00).

ITEM I. THE CONTRACT PRICE IS DECREASED BY FIFTEEN THOUSAND EIGHT HUNDRED NINETY ONE DOLLARS AND NO CENTS (-$15,891.00).

ITEM J. THE CONTRACT PRICE IS DECREASED BY TWENTY EIGHT THOUSAND THIRTEEN DOLLARS AND NO CENTS (-$28,013.00).

ITEM K. THE CONTRACT TIME IS EXTENDED BY THREE HUNDRED SEVENTY FIVE CALENDAR DAYS, FROM JUNE 20, 2001, TO JUNE 30, 2002.

The above amount is subdivided as follows:

$112,327.00 ADDED to . . . . . Dwelling Structure

The original Contract Sum was	$1,398,749.00
Net change by previously authorized Change Orders is	$ 0.00
The Contract Sum prior to this Change Order was	$1,398,749.00
The amount of current Change Order G-1 is	$ 112,327.00
The new Contract Sum including this Change will be	$1,511,176.00
The date of substantial completion as of the date of approval of this Change Order is:	**JUNE 30, 2002**

The conditions herein before referred to are as follows:

A. The aforementioned change, and work affected thereby, are subject to all contract stipulations and covenants.

B. The rights of the Local Authority are not prejudiced.

C. All claims against the Local Authority, which are incidental to or as a consequence of the aforementioned change are satisfied.

D. The Contract Time and Contract Price changes agreed to for this Change Order represents all extended time associated with the described work.

CONCURRED:
SFHA MODERNIZATION

By: _____

Title: _____

Date: _____

ACCEPTED:
BEST ROOFING & WATERPROOFING, INC.

By: _____

Title: _____

Date: _____

APPROVED:
HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO

By: _____
Gregg Fortner
Title: Acting Executive Director
Date: _____

SAN FRANCISCO HOUSING AUTHORITY

APRIL 30, 2002

RE: **CHANGE ORDER CERTIFICATION NO. 1**
CAL 1-2, POTRERO TERRACE; CONCRETE DECK REPAIRS AND METAL RAILING REPLACEMENT

In accordance with the provision of HUD Handbook 7485.1 Rev-4, Paragraph 9-23 (d), Certification, the following Change Order has been approved by the Housing Authority of the City and County of San Francisco:

CHANGE ORDER NO. G-1

FUNDING ANALYSIS

1.	Total Construction Budget CGP 709	$1,398,749.00
2.	Obligated Fund under other contracts	$0.00
3.	Latest SFHA Construction Contract Amount	$1,398,749.00
4.	Subject Change: Change Order No. G-1	$112,327.00
5.	Revised SFHA Obligated Project Total	$1,511,176.00

Under the provisions of HUD Handbook 7485.1 Rev.-4, Paragraph 9-23 (d), the San Francisco Housing Authority does certify that:

(1) The proposed work is not included in the scope of the contract;

(2) The proposed work is necessary and economical;

(3) The proposed work is consistent with the Modernization requirements;

(4) The proposed work cannot practically be performed under a separate contract after completion of the contract:

(5) Any additional tune required for the proposed work is reasonable; and

(6) Any additional costs can be approved within the latest approved budget and do not, when added to other change orders previously approved by the SFHA, exceed the
HUD approved budget.

Approved:_____

Date:_____
Contracting Officer

RESOLUTION NO. _____
DATE ADOPTED: _____

102
1

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER G-1 TO CONTRACT NO. 10013, CONCRETE DECK REPAIRS AND METAL RAILING REPLACEMENT, AT CAL 1-2, POTRERO TERRACE, WITH BEST ROOFING AND WATERPROOFING FOR ADDITIONAL CONSTRUCTION SERVICES FOR AN AMOUNT NOT-TO-EXCEED $112,327.00.

WHEREAS, Best Roofing and Waterproofing, Inc. has submitted a reasonable Change Order amount of $112,327.00 to provide additional construction services for the Concrete Deck Repairs and Metal Railing Replacement at CAL 1-2, Potrero Terrace; and

WHEREAS, the Department of Housing and Urban Development (HUD) has funded the Authority under the Capital Fund Program to provide these construction services at CAL 1-2, Potrero Terrace; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws; and

WHEREAS, the Authority has evaluated the Change Order amount submitted by Best Roofing and Waterproofing Inc., and has determined that it is fair and reasonable; and

WHEREAS, all additional relevant documents submitted by the contractor have been reviewed and found to be in order:

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute Change Order G-1 to Contract No. 10013, Concrete Deck Repairs and Metal Railing Replacement, at CAL 1-2, Potrero Terrace, with Best Roofing and Waterproofing Inc. for additional Construction Services in an amount not-to-exceed $112,327.00

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Phillip Matsumoto for CLW
CARL L. WILLIAMS, General Counsel

Date: 5-31-02

REVIEWED BY:

GREGG FORTNER
Executive Director

Date: 6/3/02

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

JUNE 6, 2002

PUBLIC NOTICE

CANCELLATION OF JUNE 13, 2002
COMMISSION MEETING

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO SCHEDULED FOR JUNE 13, 2002 HAS BEEN CANCELED.

GREGG FORTNER, EXECUTIVE DIRECTOR

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